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Algeria ... 6.00 Din. Iran ... 110 Rials Qatar ... 1.000 Rials
Arabia ... 22 S. Israel ... NIS 3.00 Portugal ... 160 Esc.
Bahrain ... 0.800 Din Italy ... 2,000 Lire Qatar ... 8.00 Rials
Belgium ... 50 B.Fr. Jordan ... 900 Fils Rep. of Ireland ... 80 P.
Cyprus ... C£ 0.90 Kenya ... Sha. 35 Saudi Arabia ... 7.00 R.
Denmark 11.000 Kr. Kuwait ... 500 Fils Spain ... 150 Ptas.
Egypt ... E.P 3.250 Libya ... 1.Din. 0.80 Sweden ... 8.00 S.Kr.
Finland ... 8.50 F.M. Luxembourg 50 L.Fr. Switzerland 2.50 S.Fr.
France ... 7.50 F. Malaysia ... 3.85 Esc. Tunisia ... 1.000 Din
Germany ... 2.70 D.M. Morocco ... 10.00 Dr. Turkey ... T.L. 3,200.00
Great Britain ... £0.80 Netherlands 2.50 F. U.A.E. ... 8.00 Dish
Greece ... 150 Dr. Norway ... 9.00 N.Kr. U.S. Mil. (Eur.) 80.85
Nigeria ... 10.00 Naira Yugoslavia 20,000 D.

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In Moscow, Pressure to Use West's Credit

By Peter Passell
New York Times Service

The Soviet Union has succeeded in coaxing striking miners back to the coalfields with a package of benefits reportedly worth $8 billion annually, but their economic grievances were no greater than those of tens of millions of other Soviet workers.

Few experts believe that the Soviet Union's sputtering economic machine can deliver soon on popular expectations of a bathtub in every apartment and sausage on every plate.

Should the West help?

Should there be infusions of foreign consumer goods, financed with private bank loans?

For the moment, the Soviets are not asking for such aid. In fact, they have chosen not to make full use of multibillion-dollar lines of credit negotiated last year with European lenders.

But as labor discovers its muscle and the lines and tempers outside Soviet stores grow, pressure on the leadership to play the foreign-debt card is clearly mounting.

"Logic is all in the direction of increased imports," said Ed Hewitt, a Soviet specialist at the Brookings Institution.

Left to decide on their own, say financial analysts, Western banks would willingly supply the tens of the billions of dollars needed to let the steam out of Soviet consumer discontent.

While the Soviet economy faces towering economic obstacles, it remains creditworthy by every conventional measure.

Thus, the perplexing questions about high debt are political, not economic.

Access to generous quantities of Western cash, some U.S. analysts argue, would allow Soviet leaders to keep civilian demands at bay without making the hard choice between guns and butter.

Strikingly, Western doubts about lending are mirrored by the Kremlin's worries about joining the ranks of Poland, Argentina and other tottering debtors. The Soviet Union, some of its leaders believe, cannot afford a development strategy that leaves it dependent on the business motivations of strangers.

The failure of *perestroika* to deliver the goods is not a new story.

According to estimates by the Central Intelligence and Defense Intelligence agencies, consumption per person in the Soviet Union actually fell by 1.5 percent in 1986, and barely grew in 1987 and 1988.

What is new, argues Padma Desai, a specialist in Soviet economics at the Harriman Institute of Columbia University, is the evolution of spot shortages into a general scarcity and "repressed inflation." Wage increases, the all-purpose response to rising discontent, have greatly increased personal spending power, but they have not been matched by production.

Price increases have absorbed some of the excess rubles. But by the estimate of the U.S. intelligence agencies, consumers fail to spend about one-fifth of their rubles. There is nothing to buy.

The resulting frustrations are probably greatest outside the cities of Soviet Europe — places like the Siberian coal towns, where wages are relatively high and distribution of goods to the stores is problematic.

The Kremlin recognizes the crisis, and has moved to contain it.

Plans to phase out price controls on staples have been indefinitely postponed. Valentin Popov, the newly appointed finance minister, has called for special anti-inflation incentives for those state enterprises that now have discretion to raise their prices.

Probably more important, Moscow is formally committed to shifting production to consumer goods.

The current economic plan calls for the first reduction in industrial investment since World War II. Spending on military hardware will be cut by 19 percent.

However, shifting economic resources from sector to sector in an economy without free markets or an efficient distribution system is a slow, uncertain business. Foreign consumer goods, however, could be on the shelves in months, maybe weeks.

The most wanted products — video record-

See SOVIET, Page 12

Colonel Hanged, Shiites Say, After Israeli Rebuff on Sheikh

By Nora Boustany
Washington Post Service

BEIRUT — A pro-Iranian extremist group announced Monday that it had hanged a U.S. Marine Corps officer when Israel refused to meet its demand to release Sheikh Abdul Karim Obeid, who was seized last week in Lebanon by commando raiders.

Threats to kill two other hostages were received after the reported hanging of the American officer.

A videotape that the captors said showed Lieutenant Colonel William R. Higgins hanging by his neck was dropped outside the newspaper An Nahar here.

There was no immediate confirmation that the man in the videotape was Colonel Higgins or that the hanging occurred Monday.

U.S. State Department sources said it was not possible to confirm Colonel Higgins's death but added that the reports seemed credible. They cautioned, however, that he might have been killed earlier.

An Israeli arms dealer, Yasoov Nimrodi, who helped to negotiate a U.S.-Iranian arms-for-hostages deal in 1985, told Reuters that he believed the colonel had been dead for a long time. "Higgins has been dead for more than a year," he said, citing contacts with Muslims as evidence.

The group that seized Colonel Higgins, the Organization of the Oppressed on Earth, said Sunday that it would hang the 44-year-old colonel at 3 P.M. Beirut time unless Sheikh Obeid, a cleric believed to be a leader of the extremist Hezbollah group in southern Lebanon, and two of his aides were freed.

An Israeli Army communiqué Monday said that Sheikh Obeid had admitted during interrogation that he helped abduct Colonel Higgins and had played a personal role in the 1986 abduction of two Israeli soldiers.

Hours after the announcement of Colonel Higgins's death, a separate pro-Iranian group, the Revolutionary Justice Organization, said it would kill another American hostage, Jospeh J. Cicippio, if Sheikh Obeid was not freed Tuesday.

"We announce our quick resolve to carry out the just death sentence against the American-Israeli spy

Colonel Higgins served twice in Vietnam and in the Pentagon in his Marine Corps career. Page 6.

Joseph Cicippio if the struggling sheikh is not released by 6.00 P.M. on Tuesday," the group said in a statement, also delivered to the paper An Nahar.

"Then we will decide to carry out the execution, which will be clearly watched on screens worldwide," said the handwritten statement, which was accompanied a Polaroid photograph of Mr. Cicippio.

Mr. Cicippio worked for the American University of Beirut when he was seized.

In a further threat, a caller purporting to represent the Organization of the Oppressed on Earth told a news agency in Nicosia, Cyprus, that Terry Waite, the abducted Church of England envoy, would also be executed Tuesday.

Colonel Higgins was seized in February 1988 in southern Lebanon while on observer duty with the UN peacekeeping force.

Several statements purported to be from his captors have said that he had been tried as a spy for the U.S. Central Intelligence Agency and sentenced to death.

In the videotape of the hanging, the body of a man, hands tied behind his back and his feet bound with a plastic blue cord, dangled from a rope. In a panning movement from the feet up, the videotape finally showed the head from the back, blindfolded and gagged, and then focused on the man's ashen face and unkempt hair.

The videotape was accompanied by a typewritten statement in Arabic signed "Organization of the Oppressed on Earth."

In Jerusalem earlier Monday, Defense Minister Yitzhak Rabin proposed trading all Shiite Muslims held by Israel for all captured Israeli soldiers and foreign hostages held by Shiites in Lebanon.

Israeli security sources estimate that 50 to 60 Shiites are being held in Israel.

Defense Minister Rabin made the proposal in an announcement on state radio shortly after the deadline set by the captors had passed.

After the videotape was delivered in Beirut, the Israeli deputy foreign minister, Benjamin Netanyahu, said, "It doesn't change a thing."

The captors' statement said:

"Criminal America and the Zionist enemy did not take our decision to execute the American spy seriously, and Sheikh Abdul Karim Obeid and his close associates were

See EXECUTE, Page 6

Kiszczak Is Named To Top Polish Post

By John Tagliabue
New York Times Service

WARSAW — General Czeslaw Kiszczak, the Polish interior minister, was nominated Monday by the new Communist Party leader, Mieczyslaw Rakowski, to be his successor as prime minister.

The appointment came as Poland braced for sharp rises in food prices on Tuesday. Increases in the price of food set off rioting and strikes that toppled party leaders in 1956, 1970 and 1980.

Polish observers and Western diplomats said the appointment of General Kiszczak appeared to have been dictated by his role as the government's leading negotiator with the Solidarity opposition movement and his position as a close associate of President Wojciech Jaruzelski.

Others noted that his appointment would be appreciated by Poland's Warsaw Pact allies, most notably the Soviet Union, at a time when the country faces a growing threat of economic instability.

At a meeting Monday of the Communist parliamentary bloc, Mr. Rakowski was said to have faced disgruntlement from some deputies who protested the choice of General Kiszczak as prime minister, demanding fresh faces. Still, the Communists were expected to close ranks behind Mr. Rakowski and support General Kiszczak.

Leaders of the Solidarity bloc in parliament said they expected most if not all of their deputies to vote against the general, who played a leading role in planning the imposition of martial law on Dec. 13, 1981, to crush the independent trade union.

General Kiszczak's election was made further uncertain by critical voices from deputies of the small Peasant Party that is allied with the Communists. After a meeting of their bloc with General Kiszczak, deputies said they doubted that their group would vote in closed ranks for the Communist nominee.

To win, General Kiszczak must obtain a simple majority of the 459 deputies of the Assembly, the lower house, where the Communists and their allies control 299 seats.

A Solidarity leader who spoke with General Kiszczak quoted him

See POLAND, Page 6

Lucek Wdowinski/Reuters

Poles fighting their way into a Warsaw meat shop Monday. Food costs are expected to rise sharply Tuesday when prices are freed.

Bush Cancels Tour And Calls In Aides

By David Hoffman
Washington Post Service

WASHINGTON — President George Bush, expressing outrage about the reported hanging of Lieutenant Colonel William R. Higgins of the U.S. Marine Corps, canceled a speaking tour Monday and returned to Washington for a meeting with his advisers.

In remarks to the National Governors' Association in Chicago, Mr. Bush said:

"Whether the report is true or not, I know I speak for all here when I try to express to the American people the sense of outrage that we all feel about this kind of brutality, this uncalled-for terrorism. And this was a young American colonel serving in an international force, and it is incumbent on all of us to try to rectify this situation, if at all possible."

Mr. Bush canceled visits to Las Vegas and Oklahoma City.

A senior U.S. government official said Monday that the United States did not hold Israel responsible for the reported execution.

"Violence and kidnapping are not the route to peace" in the Middle East, said the U.S. official, who demanded that reporters not identify him. But he added that statements by President George Bush and Secretary of State James A. Baker 3d disapproving abductions were not meant to blame Israel.

The official spoke to reporters aboard the U.S. Air Force jet that was flying Mr. Baker home from a conference on Cambodia in Paris.

Mr. Bush, after arriving by helicopter on the White House South Lawn, said:

"There is no way that I can properly express the outrage that I feel. Somehow there has to got to be a return to decency and honor even in matters of this nature. It is a most troubling and disturbing matter that has shocked the American people right to the core."

Secretary General Javier Pérez de Cuéllar of the United Nations said he was appalled by the reports of the hanging but did not know if they were true. "I do not know what I can say, only to pray and ask that it is not true," he said. "It is so cruel. I am really appalled."

Administration sources said the United States was studying a videotape of Colonel Higgins made public by his captors to try to determine whether the execution had taken place in response to the Israeli abduction of a Shiite leader, Sheikh Abdul Karim Obeid.

The sources said there was "circumstantial evidence" the colonel may have been executed earlier.

The sources said, however, that it might be impossible for the United States to determine if he was killed

See OUTRAGE, Page 6

Kiosk

Traders Guilty In Fraud Case

NEW YORK — Bruce Newberg, a top trader for Michael R. Milken, and five others were found guilty Monday of racketeering and securities fraud. It was the first time a federal jury had convicted officials of a securities firm under the Racketeer Influenced and Corrupt Organizations law, known as RICO.

UPI

Cristobal Balenciaga was not a household name, like Dior, but a new book shows why he was called "a designer's designer." Suzy Menkes reports. Page 7.

General News

If officials are convinced that Felix Bloch is guilty, why has he not been charged? Page 2.

Business / Finance

Wang Laboratories reported a loss of $375 million in the fourth quarter. Page 9.

West Germany's economy is stronger than many had expected. Page 9.

Crossword Page 7.

Dow Close: Up 25.42

The Dollar in New York	
DM	1.865
Pound	1.6656
Yen	136.97
FF	6.3155

Japan's Elders Defeat a 52-Year-Old Pretender

By Paul Blustein
Washington Post Service

TOKYO — A small group of power brokers in Japan's governing party on Monday killed a bid by a relatively young politician to become the next prime minister.

The power brokers' moves quashed the aspirations of Ryutaro Hashimoto, the 52-year-old secretary-general of the Liberal Democratic Party.

Over the weekend, Mr. Hashimoto had apparently become the clear front-runner to become prime minister. On Monday he found himself forced to withdraw from consideration for the post.

It is unclear why party bosses decided to derail the candidacy of Mr. Hashimoto, who is one of the few Liberal Democratic politicians with any popularity.

The developments plunged the Liberal Democrats into renewed disarray as they continued their search for a successor to Sosuke Uno, who resigned early last week following the party's severe setback in parliamentary elections.

The party is under pressure to choose a fresh face. But some of the elders are not enthusiastic about the idea of breaking with the traditional seniority system.

As Mr. Hashimoto's star faded, two men — Toshio Komoto and Toshiki Kaifu — emerged as the new favorites, according to party insiders and Japanese press reports.

The party has scheduled an election Aug. 8 among Liberal Democratic members of parliament to pick the party president, who automatically becomes prime minister because of the party's majority in the lower house.

Mr. Komoto, 78, is the leader of a small LDP faction. Mr. Kaifu, 58, is a Komoto lieutenant and former education minister with a capacity for eloquence.

A number of theories were circulating about the Hashimoto decision, one being that he was simply too young and therefore threatening to the party's aging leadership.

"The old guard is overcoming

See JAPAN, Page 6

In Apparent Gesture on Cambodia, Chinese Play Down Khmer Rouge

By Elizabeth Becker
Washington Post Service

PARIS — China took a key step for peace in Cambodia on Monday by distancing itself from the Khmer Rouge in favor of Prince Norodom Sihanouk.

In a short, subdued speech before an international conference on Cambodia, Foreign Minister Qian Qichen of China did not mention the Khmer Rouge or any of its leaders by name and agreed with the other major powers here on a general outline for ending the war in Cambodia.

China, which has been the target of international sanctions since the massacre of student demonstrators in Beijing in early June, appeared intent Monday on presenting a more benign image to the world. It did not repeat its previous rigid demands for a prominent role for Pol Pot's Khmer Rouge movement in a Cambodian settlement.

After two days of talks, the common goals include the following:

- An international control commission, headed by the United Nations, to verify the final Vietnamese troop withdrawal this September.
- A temporary government or institution created by the warring Cambodians themselves that would allow them to oversee general elections and exclude any possibility of the Khmer Rouge returning to power.
- Termination of all foreign military aid and assistance to the Cambodian factions once Vietnam completes its withdrawal and a formal accord is signed.

Prince Sihanouk, head of the Chinese-supported coalition that includes the Khmer Rouge, immediately took advantage of China's overture to attack his nominal allies.

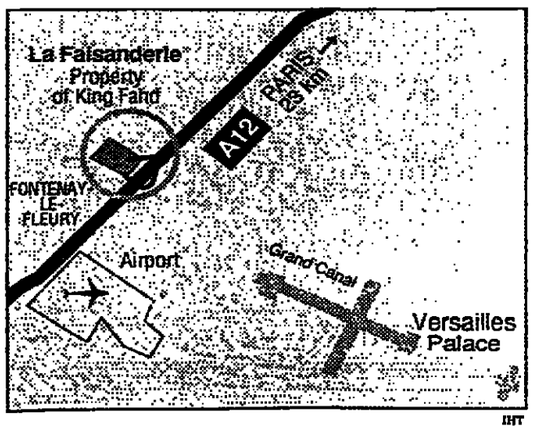
"The Khmer Rouge habit is to sabotage peace," Prince Sihanouk

See CAMBODIA, Page 6

Hans Gleiser/The Associated Press

Foreign Minister Nguyen Co Thach of Vietnam, left, and his Soviet counterpart, Eduard A. Shevardnadze, right, attending the opening session of the International Conference on Cambodia in Paris. Mr. Shevardnadze is sitting next to a member of the Soviet delegation.

Fahd: To Some French, the King's a Highwayman



IHT

By Barry James
International Herald Tribune

PARIS — When the king of Saudi Arabia demanded a special exit to get from the highway to the property he recently bought next to the park in Versailles, it seems that French officials were only too happy to oblige.

But when the king's neighbors asked for effective measures against the noise of traffic along the busy freeway, their appeals fell on deaf ears.

The local mayor says the affair is a classic example of a double standard still found in France, despite the formal abolition of aristocratic privileges 200 years ago.

King Fahd's property, a ruined 18th-century château surrounded by 40 hectares (99 acres) of wooded land where pheasants once roamed, used to form part of the great park at Versailles, the former home of French kings.

The king bought the property, La Faisanderie, about six months ago for an undisclosed price, with a Swiss lawyer as intermediary. The château itself, badly damaged by fire and vandalism, was previously abandoned.

The building was pulled down earlier this month, and local authorities have given permission for it to be reconstructed as it was in its glory days.

After buying the château, King Fahd asked for permission to link the property to the A 12 autoroute, which leads to Paris in one direction and to the nearby air base at Saint-Cyr-l'École in the other.

The public works department for the Yvelines regional government acknowledges it is studying a plan for a "technical exit" to the property — actually a two-way interchange that would involve tunneling under the freeway. It denied reports of large sums of money changing hands.

"The king has asked for a service road," said Mona Fegali, the spokeswoman for the Saudi Arabian Embassy in Paris. "Anyone is allowed to do this. He made the request through normal diplomatic channels."

Nevertheless, Foreign Minister Roland Dumas denied through a spokesman that his ministry was involved and that he and the brother of President François Mitterrand had visited the site to put pressure on local officials, as one newspaper reported. "The ministry," said the spokesman, "is not in the business of highway extensions."

Neither the Saudi Embassy nor French officials would disclose the estimated cost of the project, which has not been approved; it was also unclear who would finance the construction if it is approved.

The embassy said that the king had asked for the interchange partly for security reasons.

These explanations do not go down well with Anne Le Pivain, mayor since 1983 of the adjoining community of Fontenay le Fleury. Fontenay is a pleasant neighborhood of one-family houses and condominiums — pleasant, that is, but for one thing: the A 12.

The four-lane freeway was designed in the 1950s to

See EXIT, Page 6

The Bloch Spy Case: Caught Up in a Wilderness of Mirrors

By Ralph Blumenthal
New York Times Service

NEW YORK — A State Department official is reportedly videotaped handing a briefcase to a KGB agent in Paris and is reportedly overheard being warned of discovery by the same Soviet agent.

Later, by one account, he tells the FBI that the Soviets have paid him a lot of money over many years.

He may, of course, be innocent. But if U.S. officials are convinced that he is not, then why has he not been arrested or charged?

The question has been swirling around the case of Felix S. Bloch, the former second-ranking diplomat at the U.S. Embassy in Vienna, since the disclosure 10 days ago that he was under FBI investigation for espionage.

U.S. officials say the case presents many peculiarities, along with the inherent difficulties of collecting proof and establishing facts in the wilderness of mirrors that makes up the world of security and counterintelligence.

Mr. Bloch declined again this week, as he has throughout, to respond to the allegations, and government officials gave no indication whether he would ever be charged.

In sometimes lighthearted conversations with reporters shadowing his stay in a New York City suburb, the usually dour Mr. Bloch specifically declined to say whether he was considering cooperating with investigators or what he thought about President George Bush's expression of concern about the seriousness of the case.

NEWS ANALYSIS

As he sat on the porch of his daughter's house in Chappaqua, New York, in a blue striped polo shirt and tan corduroy pants reading a book about wartime Berlin, Mr. Bloch was approached by a reporter who asked if he planned to take up an FBI offer to discuss the case in a secluded setting.

"I have to let that pass," he said.

Earlier, he raised the possibility that he might soon leave his besieged quarters. He said he was waiting to discuss his future with his daughter, Kathy Bloch Swenson, who was away for the weekend, and with his lawyer, whose name he declined to give.

For the first time since leading a parade of FBI surveillance cars to the wooded house on July 22, Mr. Bloch seemed in an almost frivolous mood, likening himself to the Pied Piper as he led exhausted reporters and curious neighborhood youngsters on a walk around the neighborhood.

Asked why he seemed to be in such a talkative mood, he replied, "It's a sign of weakness."

U.S. officials say that while an intensive investigation proceeds, they are hamstrung in proceeding against Mr. Bloch, 54, the suspended director of an economic and political affairs unit in the State Department's Bureau of European and Canadian Affairs. From 1980 to 1987 he served in Vienna.

If Mr. Bloch made the admissions about being paid a lot of money by the Soviet Union, as one government official has said, they would still, by themselves, fall far short of the probable cause needed for an arrest warrant, experts say.

"Mr. Bloch hasn't said for what he got paid," said David Wise, a writer on national security issues and author of "The Spy Who Got Away: The Story of Edward Lee Howard."

Nor, he said, has there been any disclosure of the contents of a briefcase that Mr. Bloch was reportedly recorded passing to an agent of the KGB, the Soviet intelligence service, in Paris last month.

To prove espionage, the government must establish that a defendant knowingly handed over restricted national security information to another power with intent to damage the security interests of the United States.

"You need a level of specificity," a former FBI official said. "He could have been selling the Soviets rose fertilizer."

A current investigator agreed, saying that Mr. Bloch, if confronted, could say, "Yes, I advised the Soviets on economic issues and they paid me a lot of money as a consultant — $100 an hour."

That conflict of interest might run afoul of State Department rules, the investigator said, but would not suffice for an espionage conviction.

Mr. Wise and investigators said that the FBI would be in a quandary if Mr. Bloch tried to leave the country or to enter a Soviet diplomatic mission, as there would be no clear grounds to detain him. In such cases, the FBI often uses a ruse to detain a suspect for a traffic violation or on other grounds while it ponders its legal options.

The availability of the reported videotape as evidence is also an issue, investigators said.

Criminal investigations operate under far more stringent restrictions than counterintelligence operations, which give agents broad leeway in electronic eavesdropping and searches.

If criminal charges are the goal, the investigative methods must be in accord with constitutional rulings on suspects' rights.

Thus, a government official noted last week, the government may find it preferable in espionage cases to pass up prosecution if it means revealing informants, secret technology or investigative methods.

Over the years, he said, a number of officials in government agencies have been suspected of espionage but the cases were never prosecuted for fear of revealing sensitive secrets.

Rise of the Russian New Right

Decrying 'Russophobia,' Resentful Majority Lashes Back

By David Remnick
Washington Post Service

MOSCOW — *Glasnost* has given minorities in the Soviet Union, from the southern Abkhazians to the Siberian Yakuts, the chance to voice their anger. Now the frequent object of that anger — the Russian majority — is showing its own resentment.

Ethnic Russian factory workers living in the republic of Estonia have just ended a strike protesting discrimination by the local population. In Leningrad, nationalist groups have staged demonstrations decrying the "westernization" and "decay" of Mother Russia. In Siberia, authors write darkly of the Europeanization of Russia and the apocalyptic dangers of rock music, blue jeans and the "Jewish-Masonic conspiracy."

And in Moscow, Sergei Vikulov, editor in chief of the monthly literary journal Nash Sovremennik, expresses the views of a conservative Russian nationalist: "In the Baltics and Georgia and elsewhere, they are carrying signs screaming, 'Russian occupiers, get out!' This is pure ignorance, pure Russophobia. People in this country just have no idea of who is oppressing whom."

"In 1917, following the October Revolution, the Russian people sacrificed everything — their well-being, their standard of living, even their culture — to help everyone else," Mr. Vikulov said in an interview.

"We poured our sweat and blood and our money into Central Asia, into the Baltics, to raise them up, to give them an economy, to provide literacy and, later, to beat back the Germans. Russians did that. And now what has happened? The Russian republic is the least developed part of the whole country. And we are called 'occupiers,' 'lazy people,' 'the ruin of the country.' "

Nash Sovremennik is the monthly journal of the official Writers' Union in the Russian republic. Along with other publications, like Literaturnaya Rossiya, Moskva and Molodaya Gvardia, Mr. Vikulov's magazine is an ongoing compendium of ethnic resentment, the voice of the Russian new right.

"We are creating Russian self-consciousness," he said. "If we don't, do you think Georgians and Estonians and Lithuanians will do it for us?"

Under the Kremlin's policy of glasnost, or openness, minority populations have begun to assert their political and cultural demands. Some, like the Lithuanians, Latvians and Estonians, are making no secret of their disdain for having been incorporated into the Soviet Union, and they are fighting for steps toward independence.

They also make no secret of their distaste for the Slavs in their midst, seeing them both as symbols and real examples of Moscow's presence and control.

Perhaps the most terrifying fact of life for Russian nationalists is demography. Ethnic Russians make up just a bare majority in the multiethnic Soviet Union, and their birth rate is the lowest of any major ethnic group. Inevitably, the Soviet Union will soon be less than 50 percent Russian.

But even now, Russians like Mr. Vikulov adopt the tone and rhetoric of an embattled minority. Never mind that the ruling Politburo and the Central Committee of the Communist Party are dominated by ethnic Russians. Never mind that nearly every ethnic group in the country bemoans the "Russification" of its culture — the dominance of Russian language and interests.

"Russians have fewer rights than anyone in this country," said Anatoli Lanschikov, an essayist whose work appears regularly in Moskva and Nash Sovremennik.

"During the war, Russia saved the Soviet Union and the world, saved it from madness and destruction," Mr. Lanschikov said. "But Russians get nothing except scorn. The Russian republic has no Academy of Sciences, no Central Committee, no capital of its own. The country is not willing to give the Russians political power, but it is willing to benefit from their manual labor."

Such complaints fill nearly every issue of Moskva, Nash Sovremennik and similar publications. In a period when the official ideology is

> **'People in this country just have no idea of who is oppressing whom.'**
> **Sergei Vikulov, a conservative Russian nationalist**

dying, Russian nationalism, especially in its most reactionary form, has the feeling of a nascent movement built on very ancient passion for the motherland.

According to Andrei D. Sinyavsky, a novelist who emigrated to the West after his release from a Soviet prison, "The motherland, for Russians, sometimes so transcends the personal and even national that it assumes the quality of a kind of religion.

"Russian patriotism not infrequently borders on the messianic," he said. "This consists in the belief that Russia has a calling to convey some kind of supreme idea to the world. What that idea is in particular is not always known, but it is certainly supreme."

The spectrum of Russian nationalism ranges from ecologists and preservationists to neofascists in black T-shirts. Unlike nationalism in the Caucasus region or the Baltic states, Russian nationalism cannot really be called a movement, but rather a range of feelings, passions, philosophies and resentments.

There are liberals like Leningrad's Dimitri Likhachev, a former political prisoner who emphasizes spiritual revival and the proper study of Russian history, and the journalist Sergei Zalygin, who is concerned above all with the devastation of the Russian environment.

Although their concerns are with distinctly Russian problems, these men cannot at all be grouped with the nationalists to their right.

The Writers' Union of the Russian republic is a center for the country's best-known conservative nationalists. Novelists like Yuri V. Bondarev, Valentin G. Rasputin, Vasili I. Belov and Pyotr L. Proskurin have made it their mission to steer the country away from what they see as President Mikhail S. Gorbachev's urge to turn westward, his "dangerous" merger with the decadence of Western Europe and the United States.

They rail against the most liberal outlets of glasnost, like Moscow News and Ogonyok, seeing in these popular weekly publications an officially sanctioned conspiracy to blacken Russia's past and distort its present needs.

Certainly the most extreme manifestation of such resentments is Pamyat, an overtly anti-semitic group with active chapters in Moscow, Leningrad, Novosibirsk and many middle-sized cities.

At a meeting in Moscow recently, a man spoke about the destruction of historical monuments in the city. He drew lines on a map connecting the various monuments, and when he was done, what he had sketched was a six-pointed star — the Jewish Star of David.

A poet named Andrei Chernov protested, calling the lecture mere fascism. He was promptly dragged out of the hall by young Pamyat members and beaten.

Beyond xenophobia, a theme that runs prominently through the works of the conservative nationalists is the desperate sense that Russian culture, the Russian family, Russian architecture, the Russian Orthodox Church, the Russian village, even the Russian language, are all on the brink of destruction.

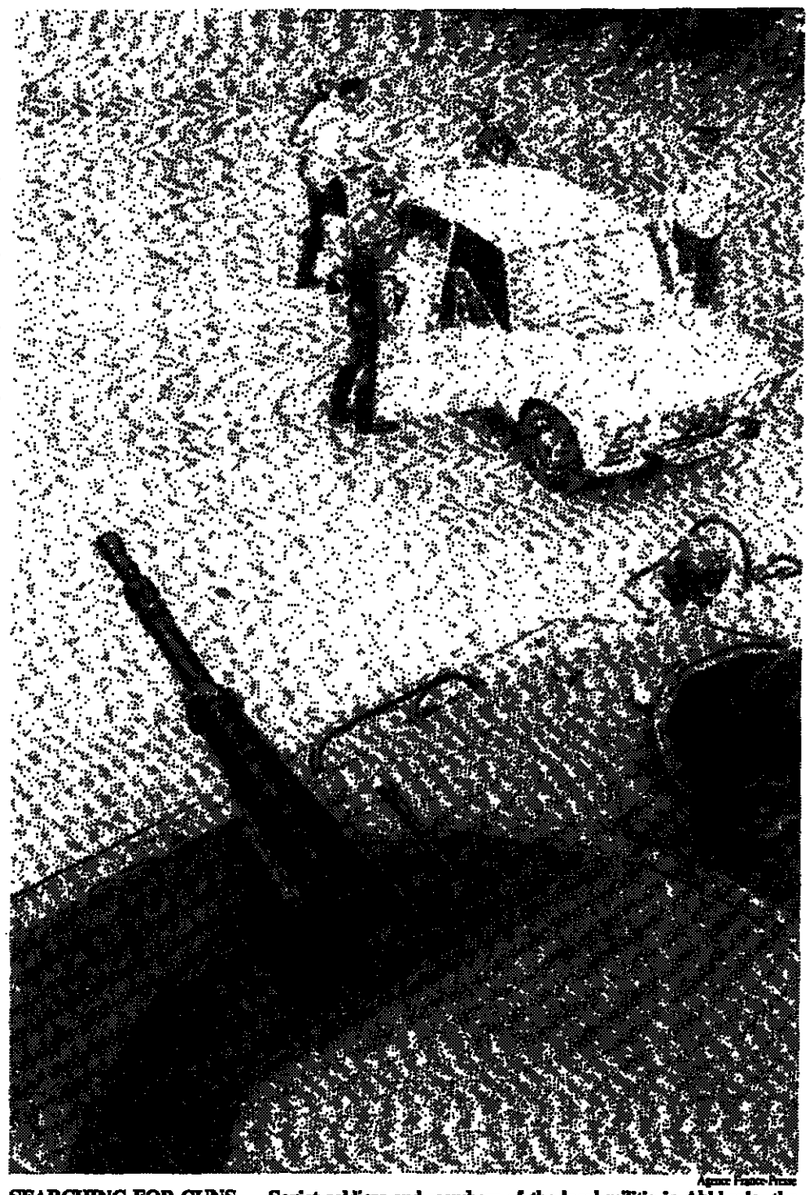
Blame is pinned not only on Jews and Masons and the West, but now, since discussion is freer, also on the Soviet system itself.

"This state tried to wipe out the Orthodox church, which had provided the spiritual basis of Russia, and tried to replace it with the false faith in the idea of world revolution," Mr. Lanschikov said.

Deprived of their religion, he said, "the people eventually surrendered to a new kind of propaganda" — a "quasi-religious propaganda of communism."

The American historian Walter Laqueur compares the Russian nationalists of today to the rightist intellectuals of Weimar Germany, who also saw in their era a decline in traditional values.

"As so often happens in Russia's past," Mr. Laqueur writes, "the trend toward exaggeration, fanaticism and extremism, the historical bane of the Russian left, has its counterpart on the right, and now, it would appear, more strongly than ever."



Agence France-Presse

SEARCHING FOR GUNS — Soviet soldiers and members of the local militia in Abkhazia, the Black Sea area troubled by riots, giving a civilian car a thorough inspection on Monday.

In Moscow, Debate on New Kind of Army

By Bernard E. Trainor
New York Times Service

WASHINGTON — President Mikhail S. Gorbachev's proposal to cut 500,000 troops from the Soviet armed forces has started a debate between military leaders and civilian intellectuals who want radical changes in the military system.

The civilians propose everything from a smaller army of professionals to replacing the army altogether with a national militia, or even creating separate armies for each of the 15 Soviet republics.

"Where the debate goes — if it goes anywhere — and what it means for us is anybody's guess at this point," said Fred F. Littlepage, a Pentagon official.

He said the debate between civilians — mostly in research institutes similar to U.S. think tanks — and the military leadership reflects considerable pressure inside the Soviet government for some form of volunteer army.

But the proposals are being resisted adamantly by generals, who argue that a shift from conscription would run counter to Marxist social philosophy and also could prove too expensive.

The Soviet Army has two million people, most of whom are two-year conscripts. In wartime, it could be augmented by more than six million reservists who have completed compulsory service.

Among Western allies, only the United States and Britain have totally voluntary armed forces.

In his speech at the United Nations in December, Mr. Gorbachev announced that the Soviet Union would cut its armed forces by half a million as a step toward negotiations with the West on mutual reductions in conventional forces.

NEWS ANALYSIS

The Soviet Union also announced a new military doctrine of defense instead of offense and said it was reorganizing the armed forces on the basis of what was termed "defensive sufficiency."

Western analysts say there are indications that the Soviet Union is switching from large tank armies to smaller, more self-sufficient units of mechanized infantry, armor, artillery and helicopters.

Although little of the debate has been reported in the West, it is known that Soviet military leaders who have opposed such changes include General Dmitri T. Yazov, minister of defense; Marshal Sergei F. Akhromeyev, former chief of staff and now arms control adviser to President Gorbachev; Colonel General Mikhail A. Moiseyev, chief of staff, and General Alexei D. Lizichev, head of the Political Directorate.

General Yazov has accused proponents of a volunteer army of being incompetent and lightheaded.

One of those challenging the military hierarchy is Sergei Karaganov, deputy director of the Western Europe Institute in Moscow. Without specifying a size, Mr. Karaganov said on a television program in Moscow last December that the Soviet Army should be converted to a small career force of specialists who could better handle the technical aspects of modern war.

Mr. Karaganov argued that a smaller, more efficient army would help its prestige recover from the defeat suffered in Afghanistan.

Soviet generals concede that they need a smaller, more technically skilled army. They also contend that changes are being made to improve discipline and eliminate rough treatment of conscripts.

William F. Scott, a retired U.S. air force colonel who has written extensively on the Soviet armed forces, says he expects the military to continue to oppose the civilian intellectuals for both pragmatic and ideological reasons.

"The Soviets use the period of military service for ideological hardening of Soviet youth," he said. "But, most of all, universal service of two years provides the Soviet Army with a huge trained reserve to call upon in the event of war. It must be remembered, it was the Soviet reserves who stopped the Germans in the Great Fatherland War, as they call the Second World War."

Marshal Akhromeyev, contending that a volunteer army would violate Marxist principles, said in an interview in a Soviet journal last January: "Our armed forces are formed in accordance with the principle of universal military service." He added: "All citizens should prepare for the defense of the homeland."

General Moiseyev, the chief of staff, estimated that an all-volunteer army would be from five to eight times more expensive than the present conscript army.

Soviet civilians who urge an all-volunteer force counter the cost argument by saying that, in the long run, such a force would be cheaper, as has proved to be the case in the United States.

Gandhi Aide Quits Congress Party

By Sanjoy Hazarika
New York Times Service

NEW DELHI — A prominent member of Prime Minister Rajiv Gandhi's governing Congress (I) Party resigned his party membership and his seat in Parliament on Monday and severely criticized Mr. Gandhi's leadership.

The resignation of Rao Birendra Singh, a former cabinet minister, followed those of 97 opposition lawmakers who quit their posts in the lower house of Parliament to protest Mr. Gandhi's refusal to accept admonitions by a government ombudsman on a controversial military deal.

Mr. Singh also criticized the government's rejection of a sensitive official document, issued by the Indian equivalent of an ombudsman, which said that New Delhi had erred in a billion-dollar arms deal by giving a major artillery contract to Bofors, the Swedish arms manufacturer, instead of to a Belgian corporation that was offering a better and cheaper gun.

The report said that Bofors had appointed agents who took commissions for their work even though Sweden had assured New Delhi that middlemen would not be appointed.

The scandal broke in 1987 and shook Mr. Gandhi's government, which fought off opposition charges that politicians and officials took bribes to clear the deal. It was regarded as a major factor in an opposition sweep of Haryana in state legislative balloting that year.

The controversy tainted Mr. Gandhi's image as a clean politician but appeared to have quieted until the report by the comptroller and auditor-general of India, T.N. Chaturvedi, earlier this month.

Mr. Chaturvedi's office, a constitutional post, reviews the financial working of all central government departments and points out failures.

"I painfully point out the apathy of the government toward the aspirations of the backward classes, who constitute a major portion of the country's population," said Mr. Singh, who was also a cabinet minister under Mr. Gandhi's mother, Indira Gandhi.

Mr. Singh, a prominent peasant and backward Hindu caste leader from the farming state of Haryana, which neighbors New Delhi, accused Mr. Gandhi of not responding to repeated requests to improve the condition of outcasts and other poor communities.

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WORLD BRIEFS

Soviet Union Clears Banned Books

MOSCOW (Reuters) — The Soviet Union has lifted all restrictions on importing the works of banned authors.

"The only restrictions are on material calling for the violent overthrow of the state and pornography," Vitali Boyarov, the customs chief, said Monday. "No authors are banned."

The censorship body Glavlit authorized unrestricted imports of all works by the exiled writer Alexander I. Solzhenitsyn, including "Gulag Archipelago," his description of Stalin labor camps.

British Dockers Drift Back to Work

LONDON (AP) — A three-week national dock workers strike was collapsing Monday as more workers returned to their jobs. Employers threatened to dismiss those who did not resume work.

At Bristol, 480 dockers went against the national trend when they voted at a private meeting to continue to stay out. The strike is over government plans to abolish guaranteed lifelong employment.

Port employers said the returns on Monday meant that 3,668, or 57 percent, of dockers affected by the job guarantee program were working and 2,741 remained on strike. Forty of the 60 ports affected by the strike were working normally, they said.

Soviets Move to Admit 1939 Protocol

MOSCOW (AP) — A commission of the Soviet Congress is preparing to admit the existence of a part of the 1939 Nazi-Soviet pact that divided Poland and the three Baltic republics between them, and to declare it null and void, a legislator said Monday. The Kremlin has denied the existence of the secret section of the Molotov-Ribbentrop Pact for 50 years, although it has long been accepted in the West.

The 26-member panel of the Soviet Congress of People's Deputies is expected to vote this week on a three-page report about the agreement, said one of its members, Igor N. Gryazin, an Estonian legislator.

The issue is at the heart of a drive by people in Latvia, Lithuania and Estonia for more control over their own affairs. Soviet histories have long asserted that these three states voluntarily joined the Soviet Union at the beginning of World War II, while Baltic activists say the secret protocol is evidence that they were forced to do so.

4 Ex-Ministers Are Arrested in Cuba

HAVANA (Reuters) — A former interior minister, General José Abrahantes Fernández, and three other former ministers have been arrested in a continuing crackdown on corruption, the official Communist Party newspaper, Granma, said Monday.

A government official who headed an enterprise that dealt in hard currency and had close links to the Interior Ministry was also arrested, Granma said. The newspaper reported that four brigadier generals had been demoted to colonel as part of a thorough investigation and shake-up at the ministry.

Four Cuban officials, including General Arnaldo Ochoa Sánchez, were executed July 13 after being tried on drug-smuggling charges.

Overall Illicit Drug Use Drops in U.S.

WASHINGTON (AP) — The overall use of illicit drugs in the United States has dropped significantly since 1985, but the number of heavy cocaine users has increased sharply, according to a government survey released Monday.

The 1988 National Household Survey on Drug Abuse found a decrease of 37 percent from 1985 in the number of people who said they had used illicit drugs within a month of being surveyed. But it found a 33-percent rise in the number of people using cocaine at least once a week — and a 19-percent increase in the number using it daily or almost daily.

The survey was based on interviews and written questions answered by 8,814 people aged 12 and older. It did not cover homeless people or those living in military installations, dormitories and such institutions as hospitals and prisons.

For the Record

The Soviet Union and China have agreed to hold talks in Moscow in November on reducing their armed forces along the Chinese-Soviet border, the Soviet news agency Tass reported. *(AP)*

Three suspected Filipino Communist rebels were killed Monday in a shoot-out with police, and guerrillas warned that the arrest of two leading insurgents had hurt plans for new talks with the authorities. *(AP)*

TRAVEL UPDATE

U.S. Atlantic Beaches Lose Tourists

ATLANTIC CITY, New Jersey (AP) — Business has been slower than usual this summer at many East Coast beaches, but bad weather apparently is doing more to keep tourists away than the threat of pollution.

Preliminary figures from Virginia Beach, Virginia, show tourism was down 7 percent in June from last year, but officials there are blaming the weather. In Rhode Island, a cool and rainy period early in July also caused the number of tourists to drop. In Rehoboth Beach, Delaware, tourism has fluctuated because of bad weather.

For the past two summers, reports of washed-up medical waste, floating garbage and high counts of fecal coliform bacteria scared tens of thousands of tourists away. To restore public confidence — and protect the tourist-dependent economies — some states have undertaken large-scale weekly water testing programs. Better information about the actual danger, or lack of danger, from pollution also has helped, some said.

French Air Technicians End Strike

PARIS (AFP) — A four-day strike by French air-control technicians that affected European vacationers ended Monday, but pilots at the French airline UTA began a three-day strike. UTA has chartered planes and crews for use during the strike.

The French civil aviation authority said Monday that traffic over France was slowly returning to normal, although a few flights to Britain and northern Europe were delayed by about half an hour.

Heavy rain on the Black Sea coast caused rivers to break banks, and waves of mud invaded the beaches of the vacation resort of Sochi, Tass reported Monday. Most of the beaches have had to be closed. *(AFP)*

China's state airline system has cut fares by 20 percent on 71 domestic routes from Monday until the end of the year to reverse a sharp drop in passengers since the military crackdown last month. The Civil Aviation Administration of China said the reduction would be for all passengers. Fares on foreign routes will not be reduced. *(Reuters)*

Turkey will require visas from all British nationals as of Nov. 1 in retaliation for a recent British move requiring visas of all Turks, the Foreign Ministry in Ankara said Monday. Britain started requiring visas from Turkish nationals on June 23 following an increase in the number of requests for political asylum by Turks. Turkey sought exemptions for officials and diplomats, but Britain refused. *(AP)*

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	30	86	21	70	fr
Amsterdam	26	79	13	55	fr
Athens	36	97	23	73	fr
Barcelona	32	90	22	72	fr
Belgrade	33	91	16	61	fr
Berlin	27	81	15	59	fr
Brussels	26	79	13	55	fr
Budapest	27	81	15	59	fr
Copenhagen	25	77	14	57	fr
Costa Del Sol	32	90	—	—	fr
Dublin	24	75	10	50	fr
Edinburgh	25	77	8	46	fr
Florence	31	88	21	70	fr
Frankfurt	28	82	13	55	fr
Geneva	31	88	20	68	fr
Helsinki	23	73	12	54	fr
Las Palmas	28	82	20	68	fr
Lisbon	34	93	21	70	fr
London	28	82	13	55	fr
Luxembourg	28	82	12	54	fr
Madrid	37	99	17	63	fr
Milan	31	88	21	70	fr
Moscow	28	82	14	57	fr
Munich	28	82	12	54	fr
Nice	30	86	21	70	fr
Oslo	25	77	14	57	fr
Paris	29	84	14	57	fr
Prague	27	81	14	57	fr
Reykjavik	14	57	7	45	fr
Rome	32	90	21	70	fr
Stockholm	24	75	17	63	fr
Strasbourg	30	86	17	63	fr
Venice	29	84	21	70	fr
Vienna	27	81	17	63	fr
Warsaw	24	75	14	57	fr
Zurich	28	84	14	57	fr
MIDDLE EAST					
Ankara	30	86	14	57	fr
Cairo	33	91	23	74	fr
Istanbul	28	82	19	66	fr
Jerusalem	29	84	17	63	fr
Tel Aviv	31	88	22	72	fr
OCEANIA					
Auckland	—	—	—	—	
Sydney	19	66	11	52	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	27	81	th
Beijing	31	88	23	73	th
Hong Kong	31	88	28	82	th
Manila	31	88	24	75	th
New Delhi	33	91	24	75	fr
Seoul	33	91	22	72	th
Shanghai	31	88	26	79	th
Singapore	31	88	24	75	th
Taipei	33	91	27	81	th
Tokyo	30	86	23	73	th
AFRICA					
Algiers	33	91	22	72	fr
Cape Town	25	77	7	45	cl
Casablanca	28	82	22	72	cl
Harare	24	75	9	48	fr
Lagos	27	81	22	72	th
Nairobi	22	72	12	54	th
Tunis	35	95	23	73	fr
LATIN AMERICA					
Buenos Aires	—	—	2	36	cl
Lima	19	66	14	61	cl
Mexico City	23	77	14	57	pc
Rio de Janeiro	22	72	20	68	r
NORTH AMERICA					
Anchorage	22	72	14	57	sh
Atlanta	34	93	22	72	th
Boston	24	75	17	63	th
Chicago	27	81	17	63	th
Denver	28	84	14	57	th
Detroit	26	79	16	61	th
Honolulu	30	86	24	75	sh
Houston	31	88	23	73	th
Los Angeles	30	86	17	63	sh
Miami	32	90	25	77	th
Minneapolis	29	84	20	68	th
Montreal	28	82	14	57	th
Nassau	32	90	23	77	th
New York	25	77	19	66	th
Phoenix	41	106	30	86	cl
San Francisco	22	72	12	54	pc
Seattle	23	73	12	54	sh
Toronto	27	81	17	63	th
Washington	28	84	20	68	cl

cl-cloudy; fa-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

TUESDAY'S FORECAST — CHANNEL: Sunny. Temp. 19 — 12 (66 — 54). **LONDON:** Partly cloudy. Temp. 19 — 9 (66 — 48). **MADRID:** Fair. Temp. 31 — 18 (88 — 64). **NEW YORK:** Showers. Temp. 24 — 17 (75 — 63). **PARIS:** Partly cloudy with showers. Temp. 19 — 10 (66 — 50). **ROME:** Fair. Temp. 32 — 21 (81 — 70). **TEL AVIV:** Not available. **ZURICH:** Rainy. Temp. 20 — 12 (68 — 54). **BANGKOK:** Scattered showers. Temp. 32 — 26 (90 — 79). **HONG KONG:** Cloudy. Temp. 30 — 27 (86 — 81). **MANILA:** Rainy. Temp. 30 — 24 (86 — 75). **SEOUL:** Fair. Temp. 32 — 21 (90 — 70). **SINGAPORE:** Fair. Temp. 32 — 26 (90 — 79). **TOKYO:** Cloudy, with occasional showers. Temp. 30 — 23 (86 — 73).

States Cautioned On Trade

Avoid East Bloc, Governors Urged

By David S. Broder and Dan Balz
Washington Post Service

CHICAGO — Export-minded governors have been urged to avoid the risks of China and the Soviet bloc and to concentrate on free markets.

On the opening day of the National Governors' Association's summer meeting, several speakers advised the state executives that Canada and Southeast Asia are more important targets than "exotic" Communist countries.

The bluntest statement came from Senator Bill Bradley, the New Jersey Democrat, who called trade with the Soviet Union "the ultimate wildcat" deal.

[President George Bush, in a speech prepared for delivery Monday, said the governors should "include Poland and Hungary on your list" when they looked for trade opportunities abroad, The Associated Press reported from Washington.]

Mr. Bradley was supported by Canada's ambassador to Washington, D.H. Burney, who urged the governors to "beware the lure of the exotic and look at opportunities next door, where the dividends are real."

Referring to China, Robert D. Orr, the recently retired governor of Indiana and now ambassador to Singapore, said that U.S. firms should "forget about that country further to the north and come see us, where opportunity abounds."

The trade talk was treated with deadly seriousness by the governors because almost all states are racing to expand exports as a key to economic growth.

Terry E. Branstad, the Iowa Republican and chairman of the governors' association, said, "All of us realize that our competitors are not our neighbors" in other states, "but Japan, South Korea and the European Community."

Ralf-Finn Hestoni/The Associated Press

Robert D. Orr, U.S. ambassador to Singapore, discussing trade options in Asia with the governors.

Unlike the group's meetings of only a few years ago, no one raised the question of how to keep foreign products out of the United States. The emphasis was on how — and where — to find new markets abroad.

Gerald L. Baliles, the Virginia Democrat and outgoing chairman who last month led an association visit to EC headquarters in Brussels, said, "We went there with concerns about 'fortress Europe' and came home knowing that the competition will be tougher but the market bigger" when EC countries remove their last internal trade barriers at the end of 1992.

While conceding that U.S. firms will "probably face continuing problems" with EC regulations, Mr. Baliles said that governors "should be doing everything possible to encourage companies to enter that market early and influence those policies."

In Sunday's keynote address, the Federal Reserve Board chairman, Alan Greenspan, said that "protectionism" as a trade policy would become "increasingly difficult to sustain" because of a change in the character of world commerce he called "the marked downsizing of economic output."

By that he meant the increasing role of ideas and concepts in creating economic values and the reduced importance of physical products. The cross-border transfer of information by high-speed electronics is a growing industry, while the shipment of ore, coal or timber across oceans or mountain ranges is becoming less important in international commerce.

Mr. Greenspan said that the shift has not only outmoded old tariff barriers but has also forced closed societies like that of the Soviet Union to open their economies to change.

But Mr. Bradley, who has made frequent visits to the Soviet Union, cautioned the governors to be skeptical. "We should applaud *perestroika*," he said, referring to Mikhail S. Gorbachev's reform program, "but we should not finance it" by extending concessionary credits to the Soviets.

■ Summons From Bush

Mr. Bush, warning that poor schools are a threat to America's future, on Monday summoned state governors to a September summit to search for ways to improve the nation's educational performance, The Associated Press reported from Washington.

Mr. Bush tendered the invitation to the Sept. 27-28 meeting in his speech prepared for delivery at the governors' meeting.

Only twice before have the country's governors met en masse with the president, Mr. Bush said. The first was a conference on conservation called by Theodore Roosevelt and the second a meeting convened by Franklin D. Roosevelt on how to "stem the financial crisis of the Great Depression," he said.

Kabul-Belgrade Link Set Up

Agence France-Presse

KABUL — Afghanistan and Yugoslavia have decided to establish full diplomatic ties ahead of the next nonaligned summit, which Belgrade is due to host, Aghan officials said Monday. Kabul has named its ambassador in New Delhi, Abdul Samad Azhar, as its envoy to Yugoslavia.

U.S. Maps Nuclear Arms Plant Cleanup

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The Energy Department proposes to spend $2.4 billion next year and up to $3.7 billion in each of the following four years to bring the nation's paralyzed nuclear weapons production plants into compliance with environmental and safety laws, according to Energy Secretary James D. Watkins.

A five-year plan that Mr. Watkins will announce Tuesday will be the department's first attempt to develop a comprehensive and credible program to end the environmental chaos that has disrupted the entire nuclear weapons complex and to reassure the public that the plants can be operated safely.

The plan will set specific targets in waste management, environmental restoration around the plants, research programs with university participation and consultation with state and Indian tribe authorities, according to Energy Department officials.

"The money that the Office of Management and Budget has granted us is impressive," Mr. Watkins said. The cleanup plan, he said, "will have all pollutants identified site by site, OMB concurrence, agreements with the states, it will all be in there. We've never had that before."

The proposed first-year cleanup allocation is nearly $1 billion more than Congress has agreed to spend in fiscal 1990, but Mr. Watkins said that new cleanup technologies would hold the long-term cost well below previous estimates. The department had previously projected the long-term cost to be $81 billion over 20 years.

The Senate has allotted $1.5 billion to nuclear plant cleanup for the 1990 fiscal year, and the House $1.6 billion. According to Senator J. James Exon, a Nebraska Democrat who chairs the Armed Services subcommittee that approves funding for the Energy Department plants, this is not nearly enough.

To colleagues who have expressed shock at the cost of the B-2 bomber — at least $530 million per plane — "I say, 'You ain't seen nothin' yet,'" Mr. Exon said.

But Mr. Watkins said he had seen projections about "new technologies, about research and development, that can drive down the figures that are being bandied about" for the total cost.

Publication of the cleanup plan, he said, is evidence that the disarray and scandal that left the country unable to produce nuclear warheads have "bottomed out," even though the complex of reactors, assembly plants and storage facilities continues to be plagued by management blunders and violations of environmental laws.

■ Reactor Repair Costs Rise

Westinghouse Electric Corp., the operator of the largest U.S. nuclear weapons plant, has notified the government that it will cost more than four times the previous estimate to repair and restart three reactors that are the only source of a gas vital to atomic warheads, The New York Times reported.

The repair program at the Savannah River Site in South Carolina is likely to be among the the most costly and intricate faced by the plant's owner, the Energy Department, as it moves to clean up and modernize its entire 12-state nuclear weapons complex.

Drownings Rise in Japan

Reuters

TOKYO — A least 223 people drowned in Japan in July, 20 percent more than the same month last year, the police said.

U.S. Urges Contra Disarming Delay

By Joe Pichirallo and David Hoffman
Washington Post Service

WASHINGTON — The Bush administration has started a campaign to dissuade Central American leaders from adopting a plan to dismantle the Nicaraguan rebels, known as contras, as a fighting force before the Nicaraguan presidential election next year, according to U.S. officials.

The presidents of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua are scheduled to meet in Honduras for three days starting Saturday. They are expected to sign an agreement to disarm the 12,000 contra fighters and dismantle their bases, located primarily in Honduras near the Nicaraguan border.

A central issue is when such a demobilization would take place.

The theme of the last-minute U.S. lobbying, as one administration official put it, is "Don't pull the rug out from the contras until the elections."

Administration officials said they were worried that Nicaragua's leftist Sandinista government would push for the demobilization plan to take effect before the presidential election, which is scheduled for Feb. 25. They also expressed concern that such a proposal would be accepted by a majority of the other presidents in the group.

U.S. officials said they were not trying to disrupt the Central American peace process. But they said they were skeptical that the Sandinistas would implement democratic reforms and hold free and fair elections.

The U.S. policy, officials said, was designed to test whether the Sandinistas were acting in "good faith" by encouraging contra political leaders to return to Nicaragua and join the political process there with Nicaragua-based opponents of the Sandinistas.

The U.S. strategy also calls for the contra fighting force to remain intact to pressure the Sandinistas to adopt democratic changes.

Bush administration critics, including some congressional Democrats, said some U.S. officials had not abandoned the idea that the contras could conduct a guerrilla war in Nicaragua. These critics said they feared that by repeatedly expressing doubts about Sandinista sincerity, the administration might be seeking to discredit the elections so Congress would restore military aid to the rebels.

Administration officials have said the Sandinistas have adopted election laws and procedures that weight the outcome of the presidential election heavily in the Sandinistas' favor. But a Congressional Research Service study and other sources have said that new Nicaraguan election laws compare favorably with those in some other Latin American countries.

U.S. officials have told contra leaders that it was highly unlikely that Congress would vote to restore military aid.

Ex-Prisoners In Vietnam Hail U.S. Pact

Agence France-Presse

HO CHI MINH CITY — Hundreds of former prisoners loyal to the South Vietnamese regime celebrated a U.S.-Vietnamese pact Monday allowing them to emigrate to the United States.

Most of the men outside the Foreign Ministry office were former soldiers in the South Vietnamese Army who served lengthy terms in re-education camps after the war ended in 1975. They learned of the Sunday agreement between Washington and Vietnam through foreign radio reports.

"We often meet in front of the ministry, but this time it's different — we are finally able to leave," said a former captain in the South Vietnam Rangers who spent 12 years in a northern camp.

The accord gives the former prisoners the right to settle in the United States with their families. About 3,000 people are scheduled to leave in the final three months of this year.

2 Britons Killed in Alps

The Associated Press

ZERMATT, Switzerland — Two British climbers were killed Saturday while climbing the 4,478-meter (14,700-foot) Matterhorn, police said Monday. They were making the ascent by the normal route when they slipped and fell about 350 meters. Their identities were withheld pending notification of relatives.

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Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

Unwanted in Power

The core problem facing the international conference on Cambodia in Paris is to define a realistic future role for the Khmer Rouge. When this group of fanatics held absolute power in the late 1970s, it was responsible for the deaths of a million people and the devastation of Cambodian society. It remains the single strongest indigenous military force in the country.

Khmer Rouge military power could again prove decisive after Vietnam completes its scheduled withdrawal on Sept. 30. The challenge to the Paris conferees is to devise a formula that provides enough incentive for the Khmer Rouge to join a settlement without allowing it to regain power. That was the message of Secretary of State James Baker at Sunday's formal opening of the 19-nation conference.

The major powers at the conference back different Cambodian groups. China arms and supports the Khmer Rouge. The United States backs the Khmer Rouge's non-Communist allies, especially Prince Norodom Sihanouk, and the Soviet Union stands behind the Vietnamese-installed Cambodian regime. But the powers now appear agreed on the need for a political settlement.

Left to themselves, Cambodian politicians could barely agree on seating at the peace table. And they now have barely two months left before the Vietnamese withdrawal to establish an interim regime, find ways to share power and integrate four armies, and devise mechanisms to verify Vietnam's departure. What will be still harder to find is a formula for bringing the Khmer Rouge inside without letting it take over the tent.

Cambodia's former head of state, Prince Sihanouk, and his non-Communist ally, Son Sann, see the Khmer Rouge as an essential counterweight to Prime Minister Hun Sen, the Vietnam-backed Communist. For his part, Mr. Hun Sen proposes a coalition excluding the Khmer Rouge, but resists internationally monitored elections and will not give the non-Communists the constitutional guarantees they need to protect their role in a multiparty system.

The Bush administration has backed the prince in his justifiable pressure for those guarantees. Dubiously, it has won from Congress discretionary authority to provide arms to Cambodia's non-Communist resistance. Fortunately, Secretary Baker made clear on Sunday that the United States could not support any settlement that gave a share of power to the Khmer Rouge.

Rudimentary decency should preclude any association with Pol Pot or senior Khmer Rouge leaders suspected of crimes against humanity. And simple prudence argues against giving any Khmer Rouge leader authority for Cambodia's military or security policies. It is up to the outside powers to convince the Khmer Rouge of two things: that its supporters' political rights will be protected, but that its leaders can never again expect to tyrannize Cambodia.

— THE NEW YORK TIMES.

Three Reagan Scandals

Viewed in retrospect, the record of Ronald Reagan's presidency is increasingly shadowed by three huge scandals. The Reagan administration came to office bellowing triumphantly about the imminent correction of the waste, fraud and abuse allegedly perpetrated under its predecessors. But if waste, fraud and abuse were scored like an Olympic sport, the Reaganites would by now have plenty of medals.

There have been many Washington scandals over the years. It's a melancholy record — the Teapot Dome oil deal, rigged contracts, influence peddling, vicuna coats. But under Mr. Reagan the decimal point moved several places to the right. It was no longer a matter of individual cases of thievery and manipulation, but of massive patterns of misdoing and malfunction involving whole agencies. The leading examples:

- The scandals at the Department of Housing and Urban Development: The present secretary, Jack Kemp, estimated recently that the losses will come to $2 billion.
- The pervasive environmental violations at the government's nuclear weapons plants: The dangers to public health are manifold, and correcting them will probably cost more than $100 billion over the next generation.
- The scandal of the bankrupt S&Ls: It, too, will cost more than $100 billion to remedy. The regulatory system was supposed to protect the public, but in the Reagan years it mainly protected the S&Ls' owners.

It is of course true that in all of these scandals not only Republicans, not only Reaganites and not only the executive branch were at fault. In each, the Democrats bear some of the responsibility. And there are substantial differences among these cases. The trouble in the nuclear plants goes back many years before 1980, although it got sharply worse during the arms buildup that followed. It was the result of technical obsolescence and arrogance; no one personally benefited. The other two instances are simpler — the results of incompetent administration and greed aggravated, among the S&Ls, by political interference from both the administration and Congress.

A measure of the ineptitude of last year's Democratic presidential campaign was its failure to lift as much as an eyebrow over these flagrant spectacles. The HUD affair was not entirely clear then, but the dimensions of the environmental disasters at the nuclear plants as well as of the S&L frauds were obvious by this time last summer.

The Bush administration, to its great credit, has faced all three scandals squarely and is at work on remedies. But it is a major burden. Mr. Bush's troubles with his budget deficits are going to be enormously compounded by the delayed costs of the administrative failures under Mr. Reagan.

— THE WASHINGTON POST.

Electronic Babel

The digital audio tape recorder is about to hit the American market, now that its producers have agreed on a chip to prevent unlimited copying of compact disks. Like compact disks, digital audio tape stores music as a stream of numbers, and gives sound of the same pure quality.

Maybe the new machines are good news, even though at first they will cost $1,300. But is there room for another shelf in the stack that already houses the record player, pre-amp, receiver, equalizer, regular tape recorder and CD player?

Today's electronic toys are seven-day marvels. Computers become extinct before they go defunct. The storage medium used by each new generation of devices is, of course, incompatible with its predecessor. The DOS systems will not read Apple II disks. There may be no point in putting those old Super-8 movies onto videotape because the next thing you know, HDTV camcorders will be the new standard.

Amid the gathering clutter of electronic forms and formats, maybe a glimmer of hope is discernible. When everything is digitized, everything will be fungible. When collections of CD's and digital audio tapes grow obsolete, perhaps their digits will be transferable to a computer that will kindly reformat them and store them on the latest hot medium.

The electronic world is going digital, and the digits are going optical. One day, millions of miles of copper wire will be replaced with optical cable. The laser light curving along these plastic lines can carry such a plenitude of digits that it will bring telephone, television, teleconferencing, a virtual tele-existence to every home.

But the journey from the Tower of Babel to the home telecommunications center cannot be made without tears. Mastering new gadgets means mastering voluminous new instruction manuals — not so simple for those of us still trying to figure out how to set the clock on the microwave.

— THE NEW YORK TIMES.

Other Comment

Methods Against Terrorism

Those who believe that the war against international terrorism is a war which can be won by conventional means are fooling themselves. When Israeli commandos kidnap the revolutionary leader of the fanatical Hezbollah you can be sure they have a dossier on him which will make the blood run cold. It would be nice if the problems of the world could be solved by an ambassadorial invitation to tea. Maybe one day that will happen. Until it does, we still need those prepared to take tough decisions on tough issues. At that the Israelis are really rather good.

— The Mail on Sunday (London).

The Regime in Phnom Penh

The international conference on Cambodia will concentrate on what has been referred to as the external aspects of the problem. This means setting up a verification mechanism to oversee the scheduled withdrawal of Vietnamese troops by the end of September. Given that a power-sharing formula could not be agreed upon by the warring parties, worst-case scenarios have been presented, predicting the emergence of an Afghanistan type situation.

Such projections seem exaggerated. Phnom Penh's Heng Samrin-Hun Sen regime apparently enjoys far greater popular support at home than does the Najib regime in Kabul. Also, after the withdrawal of the Vietnamese troops we can expect a closer economic and trade relationship between Bangkok and Phnom Penh that will improve the welfare of the Kampuchean people and increase their support for the Phnom Penh regime. The issue most advantageous to that regime, however, is the fact that it has consistently refused to give the Khmer Rouge a role in any political cooperation scheme, whatever its form. International sympathy, obviously, is generally on the side of the Phnom Penh regime, considering the brutish record of the Khmer Rouge during their three-and-a-half-year rule. Perhaps it is about time to also consider its decade-old record of rehabilitating Kampuchea and against all odds providing new opportunities for a better life for the people of that country.

— The Jakarta Post.

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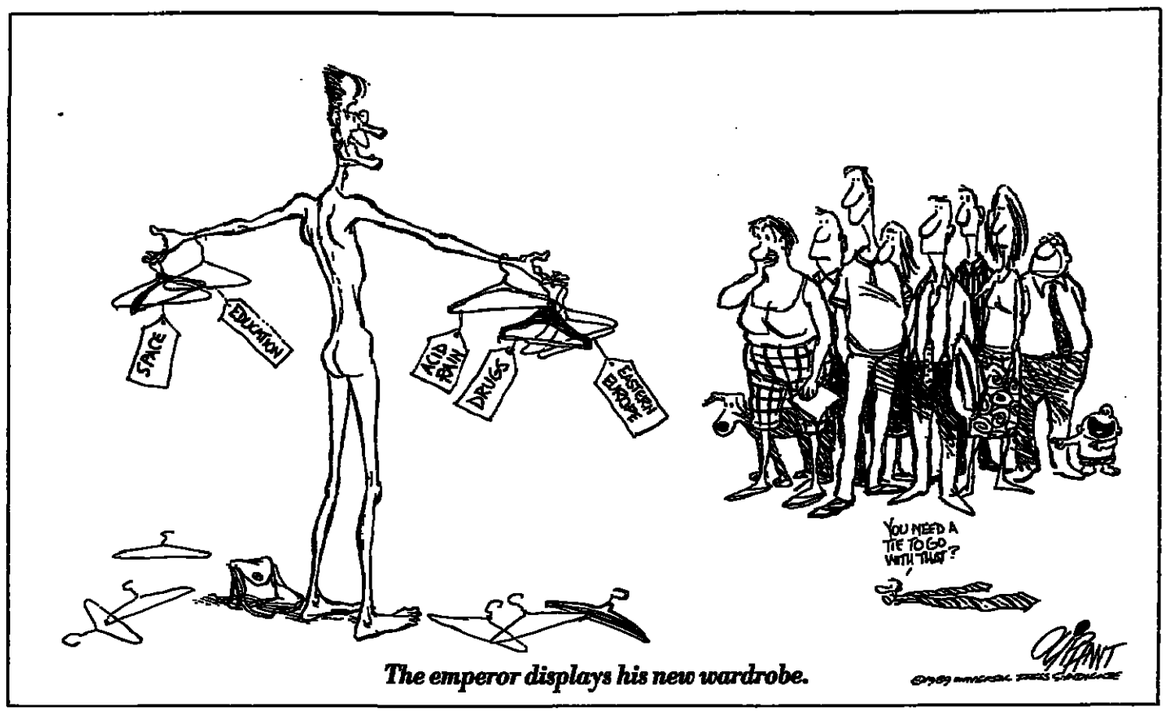
OPINION



The emperor displays his new wardrobe.

Soviet Inflation: Devalued Rubles Are Dangerous

By Jim Hoagland

PARIS — Soviet workers are learning the bitter lesson that Americans and Europeans absorbed in the 1970s. On both sides of the Iron Curtain, inflation is more than a symptom of economic malfunction. Sustained inflation becomes an emotional and political trauma, undermining a nation's faith in its leaders and ultimately in itself.

Spiraling inflation feeds the industrial unrest now sweeping the Soviet Union. Ever expanding quantities of bank notes are chasing constantly shrinking quantities of goods. Hitting an already crumbling Soviet distribution system like a giant hammer, the inflationary surges of the Gorbachev years make Soviet living conditions worse than they were before perestroika was launched four years ago.

"It is like allowing an alcoholic to sell wine," Soviet economist Gennadi Lisichkin says, suggesting that the politicians in the Kremlin lose all discipline around printing presses that can turn out enough rubles to quiet a crowd momentarily. Government economists privately estimate that inflation in the Soviet Union was running at about 13 percent at the beginning of 1989, but the figure could double by the end of the year.

The visible, immediate economic effect of inflation is to devalue money. But there is also a political devaluation, which carries a particular threat to centrally planned economies. Inflation robs work, as well as money, of its value. And the job security that Marxism supposedly guarantees to workers in compensation for the system's other shortcomings becomes meaningless when there is no system of real rewards.

This intensifies the "resentment spiral" that accompanies inflation — the feeling of constantly being cheated, of seeing the wages of a day's work buy less than was bargained for when the work was performed.

Economic adversity always brings resentment. But there is a particularly bitter, almost irrational quality in public reaction to extended periods of inflation, as demonstrated by the Carter years in America and the lingering scars on Germany from the economic disasters of the Weimar Republic.

As wages that seemed sufficient or perhaps even munificent a few months or a year ago lose their potency, workers turn on each other, on bosses and store owners and finally on their governments to vent frustration over the certainty that someone else is getting what is rightfully theirs. They see themselves not as the victims of economic cycles, as in recessions, but of other social groups.

Inflation is officially not allowed to exist in Communist-ruled societies because of its social implications. The party is in power to reconcile conflicts between social groups and classes. Its leading role is undermined if it admits that one group has a particular claim on scarce resources, the classic burden-shifting operation that inflation makes necessary.

The Kremlin involved itself in such an operation last week by giving in to all the wage increases and other benefits demanded by striking miners in the Ukraine and Siberia. The Soviet leaders said yes to a package that will cost at least 5 billion rubles (about $8 billion at the official exchange rate) and promised to spend another 10 billion rubles to remedy crippling national shortages of consumer goods. But they give no indication where they will find that money in a budget that is at least $150 billion in deficit this year.

In rushing to accept the strikers' demands and blame his own party for exacerbating their troubles, President Mikhail Gorbachev went a long way in persuasively endorsing grass-roots democracy. He was widely seen to have emerged from the crisis politically strengthened as he allied workers' demands with perestroika and against the party hacks who oppose him. But, as the case of Poland shows, he is playing with fire.

Mr. Gorbachev clearly feels that he faces no immediate threat from his more conservative opponents in the Politburo. He taunted them during the July 18 special meeting of party leaders in Moscow. Publication by Pravda of the transcript of these abusive exchanges among comrades is a clear signal to the Soviet public that Mr. Gorbachev no longer feels that Yigor Ligachev or Lev Zaikov represent threats to him.

But the economic foundation of the new political house that Mr. Gorbachev would build could be cracking open beneath his feet. When the effects of last week's settlement and the others to come work their way through the system, the workers will feel cheated once again and make new and greater demands.

In democracies, the resentments and anxieties, real and irrational, of national economic failure get exorcised or dispersed at the ballot box. In dictatorships, they can surface only in strikes or in the streets; the pressures continue to accumulate when the immediate crisis passes. Mr. Gorbachev bought time by marching with the workers against the Kremlin. But it is a march on inflation's fast-moving treadmill, where each step forward leaves you a little further behind.

The Washington Post.

Let's Not Exaggerate the Potential for U.S.-Soviet Trade

TRADE between the United States and the Soviet Union has always been a thermometer that gauges the prevailing political conditions between them. When political relations start to warm, U.S. officials get busy developing ways to remove barriers to trade. The principal example of this occurred in the era of détente in the early 1970s that culminated in the trade agreements signed at the May 1972 summit in Moscow between Richard Nixon and Leonid Brezhnev.

Now glasnost and perestroika bring another thaw in relations, and the most dramatic Soviet economic developments since Lenin's New Economic Policy. A superpower summit, perhaps next winter, may produce a trade agreement to replace the Nixon-Brezhnev agreement, which the Soviets repudiated when the Jackson-Vanik restriction was added in the mid-70s.

But U.S. trade policy toward the Soviet Union would benefit from a historic perspective. Over the years, Americans have tended to exaggerate the potential for increased trade with the Soviet Union and the U.S. ability to shape Soviet behavior by manipulating that trade.

Trade between the two countries was less than $3.5 billion last year, unbalanced in favor of the United States and involving mainly raw materials, particularly grain. The Soviets have stopped buying on occasion, even in the face of apparent need for Western goods and technology, and they could stop again. Important economic constraints on trade include the nonconvertibility of the ruble.

Volume is likely to remain small compared with U.S. trade with Japan, Western Europe, Latin America or the Pacific rim. It will have a heavy commodity composition, compared with trade between other developed countries, and flows will be unbalanced in America's favor.

President Bush should not be timid about clearly endorsing the reform efforts in the Soviet Union while encouraging commercially feasible deals between U.S. and Soviet enterprises. But he should recognize that similar hopes have been raised in the past, and that the role of U.S.-Soviet trade is unlikely to contribute more than marginally to what is taking place in the Soviet Union.

— Paula Stern, a former head of the U.S. International Trade Commission, commenting in The Washington Post.

Sri Lanka's Future: Like Cyprus or Like Lebanon?

By Robin Jeffrey

MELBOURNE — It is a mark of the desperate plight of Sri Lanka that optimists draw a parallel with the recent history of Cyprus. Pessimists, who are more numerous, foresee the island becoming another Lebanon.

According to the Cyprus analogy, the slide into terror, gang war and disintegration might be arrested if India, which has more than 44,000 troops in Sri Lanka, proclaimed a separate Tamil state in the north and east. The rage of the majority Sinhalese in the south would unite Sri Lankan government forces and the militant Sinhalese insurgents of Janatha Vimukthi Peramuna, the People's Liberation Front.

The Indian army, although incapable of suppressing guerrillas, would be able to defend the border of its new client Tamil state against any conventional military attacks. With Tamils and Sinhalese more or less separated, people would find ways to live with de facto partition, as Turkish and Greek Cypriots have done.

A Cyprus "solution" seems unlikely. India would be severely embarrassed by the international outcry that would follow the dismemberment of a sovereign state. However, a general election is due in India within six months. If the government of Prime Minister Rajiv Gandhi, which faces an uphill battle at the polls, thought that bold and decisive action in Sri Lanka would win votes at home, anything might be possible.

But Mr. Gandhi's government could as easily decide that there are votes in bringing Indian soldiers home. Whether they go or stay, it is calculations about the feelings of India's voters, not the wishes or welfare of Sri Lanka's people, that will play the major part in any decisions.

A Lebanon in Sri Lanka appears the more likely outcome. India will make a few token troop withdrawals. These will allow President Ranasinghe Premadasa in Colombo to say that he has asserted his authority. The Indians will prop up their Tamil clients in the north and east of the island. In the rest of the country, the Sri Lankan army, goon squads, the JVP and Tamil raiders will continue to rip each other apart.

Sri Lanka's tourist industry, which provided vital employment and foreign exchange, is shattered. The free-enterprise, Singapore-style economic changes that then President J.R. Jayawardene attempted after 1977 are dissolving in the fear and bloodshed that disrupt regular work. Inflation was 14 percent last year and the budget presented in April anticipated a huge deficit. Sri Lanka is not self-sufficient in food. How long will international agencies continue to provide aid at the 1988 level of $612 million?

Sri Lanka has had universal suffrage since 1931, a competitive democratic system since 1948 and some of the most impressive statistical indicators of social well-being of any developing country. Literacy is 85 percent, infant mortality only 30 out of 1,000 and average life expectancy is estimated at 70 years. Comparable figures for India are 36 percent, 105 out of 1,000 and 54 years.

Too often in Sri Lanka's recent history, politicans chose what looked like the path of quick advantage. They had alternatives. Bad political choices greased the slide that today carries Sri Lanka toward anarchy.

Britain, the former colonial power, left behind a unitary state, in spite of the fact that the north of the island was overwhelmingly Tamil. A disproportionately large section of the high-living Colombo elite was also Tamil. Until the end of the Korean War and the boom in tropical agriculture in 1953, Sri Lankan politics largely involved deals made over the linen tablecloths and silver service of well-laden dining tables in Colombo.

In 1956, however, S. W. R. D. Bandaranaike, disappointed that he had failed to become prime minister a few years earlier, took democratic politics to the rural Sinhalese majority. His Sri Lanka Freedom Party won power on a militant Sinhalese-first program, which captured the hearts of Sinhalese-speakers who constituted 80 percent of the voters. The bitterness of the election and its aftermath sparked the first in a cycle of Tamil-Sinhalese riots in 1957. In the next 30 years, as conflict intensified, armed Tamil separatist groups formed.

Lack of economic development sharpened the growing tensions. Education spread to the countryside, but there were few jobs for those who emerged from rural high schools. The state bureaucracy and public enterprises offered most of the employment available, and governments saw to it that such jobs went to their supporters. Tamils felt increasingly excluded, especially when senior appointments in Tamil areas went to Sinhalese.

In the 1950s, a measure of genuine devolution of power to the Tamil-majority regions would have headed off conflict. Even in the mid-1980s a federal system might have been possible. Today the island is so choked with bitterness, weapons and rival gangs that a political settlement is almost impossible to envisage.

The writer, who teaches politics at La Trobe University in Melbourne, is author of "What's Happening to India?" He contributed this comment to the International Herald Tribune.

A Collapse of Old Hierarchy

TODAY the last seams of social cohesion are unraveling. Sri Lanka has become a free-fire zone for everyone old enough to heft a Kalashnikov or grenade. Moderate political figures have been assassinated right and left, violence-enforced strikes have brought the economy to its knees, and civil authority has been reduced to all but complete impotence. This was made abundantly clear when Colombo undertook recently to subject all news reports to censorship. It lifted the rule last week after the chief censor was murdered.

That an island so blessed by nature could have descended into hell so fast could make a parable of human fallibility. Whatever the quick answers might be, though, the moral of this lesson is obviously eluding Sri Lankans in the thick of chaos today. What began as a protest against second-class citizenship by the country's minority Tamils has become a conflagration too quickly to blame it on that spark. The introduction of Indian troops as a desperate resort is also too simple a target.

When Sri Lankans are able to look back on this terrible passage, they may find that the Tamil Tigers and Rajiv Gandhi had very little to do with the civil war's real meaning. They may look for a more instructive lesson in an extraordinary phenomenon: the JVP uprising of 1971. Although put down with a fearsome cost of lives, the revolt amounted to what was very nearly a total war of the generations.

Led by students and a radical philosophy, it was a spontaneous outpouring of rage by the young against the old. That the government of the time proceeded to give Sinhalese youths preferences in civil service and schooling opportunities reflected the ways in which they felt society had cheated them. These preferences in turn became a principal grievance that led to the Tamil Tigers and their secessionist movement. But the JVP rising was aimed at privileges in Sinhalese society: the caste structure and economic system. The persistence of hierarchy has been evident in the fact that every head of government in Sri Lanka came from the elite Goyigama caste up till Ranasinghe Premadasa's inauguration this year. He is the first leader who climbed to the top.

In the ordinary course, the rise of this man from low birth in a laundryman's caste would be cause for celebration. Instead, what it now seems to betoken is the utter breakdown of the last filaments of continuity. With no natural power base of his own, Mr. Premadasa has been left isolated among the guerrillas. He played the card of ordering the Indians out only after desperately trying to come to terms with the Tigers. His new tone of conciliation extended to Mr. Gandhi last week offers some hope that an Indian withdrawal can be achieved without wider turmoil. But it's not much hope. Asia has seen a similar case of the collapse of an old framework of authority with nothing to replace it. It was in the 1970s, and the country was Cambodia.

— Asiaweek (Hong Kong).

Europeans Broaden The Agenda

By Giles Merritt

BRUSSELS — Charles de Gaulle's dream of a Europe "from the Atlantic to the Urals" may yet come true. If the present rhythm of détente persists, our notions of Western and Eastern Europe will soon look dated.

Détente on the scale that Mikhail Gorbachev has initiated is raising giant question marks over Europe's political institutions. From food aid to debt relief, and from trade liberalization to technology transfers, East and West European governments now need to talk to one another on an unprecedented scale, yet they lack the necessary mechanisms.

The prospect of a much closer relationship between the European Community and the Comecon countries may not have a direct impact on the EC's 1992 strategy for a single market, but it does alter the political context in which the 1992 drive is taking place. Instead of merely worrying about helping the Mediterranean economies converge with those of rich Northern Europe, Brussels now has to grapple with the problems of Eastern Europe's spastic economies as well. When the 1992 strategy was conceived, Eastern Europe simply wasn't a factor.

The decision of the recent Paris summit of the seven leading industrialized countries to use the EC to coordinate Western aid for Poland and Hungary underlined the authority of the Community as the central figure in European affairs. Brussels today acts on issues that until recently would more properly have been the province of London, Paris and Bonn. The momentum created by 1992 and the drive for greater European integration has made Brussels a pole of attraction not just for Western Europe but for parts of Eastern Europe as well.

Speculation is common in Brussels that Hungary and Poland may apply to join EFTA, the six-country European Free Trade Association, as a first step toward EC membership. Whether a move to join either would be economically or politically feasible is far from clear. It remains that such speculation is remarkable, given that it is only just over a year since Comecon and the EC formally recognized each other after years of bickering.

It is easy to exaggerate the scope for economic cooperation between Western and Eastern Europe. The Comecon countries represent only 7 percent of the EC's trade, and that figure has been shrinking in recent years. Eastern Europe owes the West some $150 billion. The trade pacts currently being negotiated between the EC and various Comecon countries have revealed to Brussels just how backward the socialist economies have become due to their lack of competitiveness and the absence of convertible currency.

Yet the political mood is upbeat. It was summed up in French President François Mitterrand's recent remark that "rapprochement of the two parts of Europe is the great task for us Europeans at the end of the century." The EC increasingly appears committed to fashioning a new framework to enable Western and Eastern Europe to work together.

The question is being raised whether some kind of institutional framework is therefore needed. An interesting model has been put forward by Michael Palmer, a senior official at the European Parliament, of an East-West Commission which would provide a forum for discussion of security and disarmament questions as well as economic and trade ones.

Mr. Palmer envisages a fairly elaborate structure, in which a ministerial council representing signatory governments would meet perhaps twice a year as the governing body of a system encompassing a parliamentary assembly, an arms control agency and a "strong central secretariat."

This East-West Commission would represent 35 countries, including the United States and Canada. Its main work would be done in committees of governmental experts working on areas such as security; trade, economic and monetary issues; human rights; environmental problems; scientific and technological cooperation; transport; legal issues and cultural contacts. "An East-West Commission," Mr. Palmer writes, "should be able to complement and enrich the spasmodic and isolated steps achieved in separate ongoing or future negotiations."

Calling for the setting up of yet another institution could be dismissed as the reflex of an international civil servant, and many people may find Mr. Palmer's model unnecessarily elaborate. Yet it is plain that some sort of framework will be needed if the improvement in East-West relations is to move from the emotional, and largely rhetorical, to the practical.

International Herald Tribune.

100, 75 AND 50 YEARS AGO

1889: 'Savior' Must Go

PARIS — For what appears an interminable time, says the London *Herald*, General Boulanger has posed before France and Europe as the Heaven appointed savior of the Republic. Boulangism was the universal panacea. His advent to power was to mean peace or war, the clerical or civil rule, Bourbon or Bonaparte. He came like a will-o'-the-wisp so let him go — let him flash into the night and darkness, and be forgotten with the thousand and one adventurers who in their vanity and necessities came to France only to learn that there was a greatness in France itself, which a Boulanger could not comprehend, nor a Bonaparte destroy.

1914: Belgians Mobilize

BRUSSELS — The worst being now expected, orders for the mobilization of the entire force were issued tonight [July 31]. It is expected that the forces of the nation will be increased by several thousand voluntary enlistments of young men who are patriotically offering themselves. Though weak in numbers, the Belgian army will resist any invasion as toughly as possible, and delay at least for some days the progress of German and French forces seeking to strike at the foe's vulnerable point through Belgian territory. Whether the Belgian army will afterwards side with one of the belligerents against the first invader of its soil is yet unknown.

1939: European Talks

LONDON — As a tension-torn Europe recalled that exactly a quarter of a century ago Russia mobilized its man power for what became almost overnight the World War, Prime Minister Neville Chamberlain announced in the House of Commons that before the close of the week British and French military missions would be dispatched to Moscow for "staff talks," as a complement to the long-awaited three-power alliance.

OPINION

A Way to Help Gorbachev Do What the West Wants

By William Safire

WASHINGTON — What's the matter with you right-wingers? ask the liberal editorialists. Don't you realize that our destiny is inextricably linked to the success of Mikhail Gorbachev?

If he fails, goes this argument, reform will be replaced by Stalinist repression and the Cold War will begin again. The world will have lost its chance for peace and freedom, and the fault will lie with Cold Warriors who refused to help Mr. Gorbachev overcome Moscow's baddies.

The imputation is that most American conservatives are (a) uncomfortable without an enemy, as the propagandist *Georgi Arbatov suggests*; (b) persuaded that Mr. Gorbachev is transitory, and unwilling to ameliorate the crisis for his hard-line successor; (c) suspicious that perestroika is another Leninist trick to *entice the West to save communism*, with glasnost as its bait, or (d) lusting for Soviet collapse and dismemberment, resulting in capitalism's victory.

Startling confession: (A) is false but a lot of the rest undergirds our caution.

We root our policy in the experience of consistent Soviet betrayal in the past, and in the likelihood that the Communist desire for domination is dormant but far from dead.

We think the next century would be more peaceful and prosperous unburdened by reinvigorated totalitarianism.

But we like to think of ourselves as realists; certainly the upheaval now under way reaches deeper than ever before, and the adroitness with which Mr. Gorbachev aligned himself with coal miners angry at his five years of worsening conditions is the mark of a master politician.

The central question is not "Should we help Gorbachev?" but "What can we do now to provide incentives for the Soviet Union to free its people and to stop financing tyranny and terror beyond its borders?"

Liberals answer that with an offer of economic largesse: an end to trade restrictions, fresh credits, an infusion of Western technology to help make the Soviets an active world competitor.

They confidently accompany this with the latest form of unilateral disarmament: cutting back funds for a nuclear defense, eliminating the anti-missile missile, professing horror at the long-planned cost of a manned bomber.

If Mr. Gorbachev is a democrat at heart, and if the Soviets have abandoned their goal of expansion, and if Western economic help were to be used to transform their stultifying system into a market economy, the liberal approach would make sense. We don't know.

But this we do know: Only the threat of imminent economic collapse — the *genuine fear of losing its superpower status* — has caused the Gorbachev faction to introduce greater freedom of speech directed at breaking up party control, and has elicited a promise to end Soviet superiority *in conventional arms*.

Anything America does to reduce that threat of collapse diminishes their incentive to make systemic change. Any technology it offers to reduce the Kremlin's fear of losing the economic race lessens the pressure on them to cut their arms budget or to reduce their subversion.

Only the Soviet inability to put food on the table has pushed the Kremlin leadership into belated toleration of reform. But if the West puts the food on the Soviet table, it would remove the desperation that has driven the movement of the past five years.

The single economic reward it should offer is speedy mutual and balanced reduction of arms. Let that be the economic contribution to Soviet salvation.

Even that offer should be conditioned on Soviet behavior. Mr. Gorbachev's five years have married diplomatic détente with espionage aggression. The KGB faction is his power source. He has increased its capacity to steal secrets, thereby gaining technology and military advantage on the cheap.

His uncriticized escalation of espionage also damages democratic institutions. The *U.S. attorney general's shameful* decision to subject a suspected spy to media stakeout torture makes a mockery of the presumption of innocence and weakens Americans' individual rights.

The way to help Mr. Gorbachev succeed in what he wants (recovery of economic strength without loss of Kremlin control) is to take the heat off the need for change by sending subsidized grain and the latest computers, and by substituting congressional complacency for defense readiness.

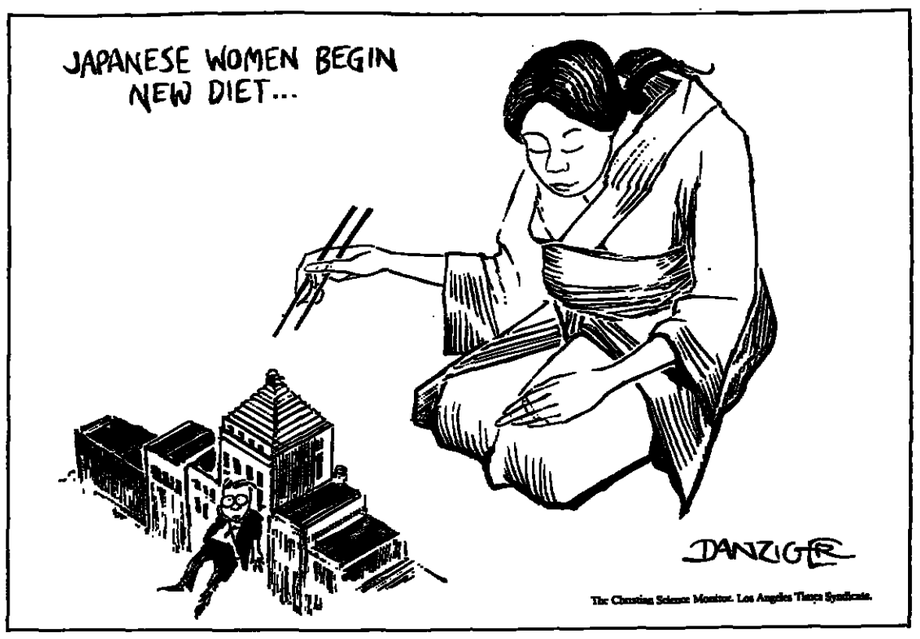
The way to help Mr. Gorbachev succeed *in what the West wants* (free markets, free people) is to wish him well and let harsh circumstance force him to upend the system and downsize the empire.

The New York Times.

A Revolutionary Step

THE Soviet government conceded last Thursday that the Baltic republics of Estonia, Latvia and Lithuania *had been illegally stripped of their sovereignty* in 1939, and the Soviet parliament decided to give some of it back. These developments promise a brighter future for these republics, for the Soviet Union as a whole and for U.S.-Soviet relations. Leonid Abalkin, a deputy prime minister, told the Supreme Soviet that autonomy should be introduced in the Baltics as an initial step toward achieving a new, decentralized system of economic management for the entire country. Once again, in a pattern that would be monotonous if it were not exhilarating, Mikhail Gorbachev has taken a revolutionary step in his campaign of liberalization, one that was inconceivable just a few months ago.

— *Los Angeles Times.*



LETTERS TO THE EDITOR

Killings in Afghanistan

In response to the editorial "Killing Afghan Civilians" (July 17):

It would be unbearably cynical to dismiss recent civilian casualties as one more brutality of war in a very brutal war, but it would be unbearably myopic to cut back on arms deliveries in the face of an unrelenting and increasing supply of deadly arms to the Kabul regime. To cut the mujahidin adrift and insist that they lay down arms and negotiate with the puppet government of Najib would expose more people to the effects of living with a totalitarian, Communist regime and ultimately eliminate any possibility of a free Afghanistan, which, after all, was the goal of the American assistance, not the mere removal of the Soviet troops.

To forsake the only successful fighters *against the Soviet army now would be* shameful as they press on in their struggle, as costly and sad as it has been.

JAMES THOMAS.
Chiang Mai, Thailand.

Afghans demonstrated once more to the world that they will not relent in their pursuit of freedom and that they will successfully resist any invader that threatens their right to govern themselves. On Feb. 15, 1989, when the last elements of the Soviet army retreated from Afghanistan, that demonstration was given.

Now that the invaders have been repulsed, civil war rages and the Afghans are playing the game of external powers, pursuing their own political goals at the expense of the Afghan people.

It is tragic that because of the personal and egoistic ambitions of some individuals *in each camp*, externally inspired political goals can be pursued to the detriment of Afghanistan's integrity, unity and progress. Any honest Afghan national, with the good of his country and community *at heart, would strive* for an end to the fighting and the re-establishment of unity.

The good of the nation requires that the guns be silenced and efforts begin toward building, not destroying.

First, the killing must stop.

WALI-SHAH WALI.
Manama, Bahrain.

Negotiating With the PLO

Regarding "Salah Khalaf: The Rewards of Terrorism" (Opinion, July 22):

A. M. Rosenthal warns the United States against "premature recognition of the PLO" that he says would entail negotiations with "killers of American civil servants."

Such seemingly sound advice justifies paradoxically those Palestinians who denounce the peace initiative of the PLO. These Palestinians make the point that they cannot deal with people who have killed, maimed, wounded, imprisoned or exiled thousands of their brothers in 1948, 1967, 1982 and now during the intifada. They say that Israel leaders *have committed crimes against humanity*, as defined under international law, in their treatment of civilian Palestinians in Lebanon and in the occupied territories. They have a point when they label as "terrorists" Israeli cabinet ministers who call for the assassination of Yasser Arafat or order Israeli soldiers to break the limbs of children.

In spite of all these legitimate grievances, I maintain, as a Palestinian Jew, that those who are sincerely committed *to justice and peace should be welcoming* dialogue, especially dialogue with those toward whom one has a legitimate grievance. Many Israelis see no alternative to negotiations with the PLO. Those American citizens who are trying to impede the internationally sanctioned thrust toward a negotiated solution between the Israeli government and the PLO are doing a great disservice to the peoples of my homeland and harm the long-range interests of their own country.

ELISHA DAVIDSSON.
Olafsvik, Iceland.

(Expletive Deleted) Is Back

Regarding "If Mac Is Back, Tennis Is the Winner" (Sports, July 7):

I strongly disagree with the highly chauvinistic argument that tennis is improved by the return of the foul-mouthed, loutish John McEnroe. I, and most other Americans, I suspect, are deeply ashamed of McEnroe as a representative of the United States and would prefer his removal from the international scene. His undoubted skill in tennis does not excuse his disgraceful behavior.

DION WAYNE.
Geneva.

You're Painting the Lawn? The Government Can Help

By Dave Barry

MIAMI — It will probably come as no surprise to you that I got the idea of painting my lawn from an agency of the United States government.

When I say "painting my lawn," I don't mean my whole lawn. I just mean this one circular spot that suddenly, mysteriously turned brown, as though it had been visited by a small UFO or a large dog. I ignored the spot at first, but it started to grow, and I realized that it was similar to international commu-

MEANWHILE

nism: If you let it get a toehold in, say, Nicaragua, it will start to spread to other strategic nations down there such as El Labrador, and the next thing you know your entire lawn is brown.

So I was wondering what to do, when fortunately I received a letter from an alert reader named Dick Howard, who enclosed a news article from the Roanoke Times & World-News about some National Forest Service rangers who painted a group of federal rocks to make them look more natural. I am not making this up. It happened in the Jefferson National Forest, where the Forest Service had built a mountainside road that was designed, according to the article, "to blend in with the environment."

Unfortunately, there was an unscheduled flood, which exposed some large, tacky, white quartz rocks that did NOT fit in with the natural road design. You can imagine how this offended the fashion sensibilities of the Forest Service personnel, who decided to do exactly what you would do if you were in charge of a national forest and had accidentally consumed a massive overdose of prescription medication: paint the rocks.

They did a few tests to select just the color they wanted, then they spent two days spraying paint on the rocks, and before you could say "massive federal budget deficit" the hillside looked just the way God would have created it if He had received the benefits of Forest Service training.

As a professional journalist, I have always been fascinated by people who appear to have even more spare time than I do, so I called up one of the men involved in the rock-painting, District Ranger Bob Boardwine, who turned out to be a friendly individual. He told me that the rangers had taken a fair amount of ribbing over the rock-painting, but as far as he was concerned the project had come out real nice.

I told him I was thinking about painting the brown spot on my lawn, and he gave me some fashion tips. "Make sure you use a dark green," he said. "When we painted the rocks, we went into it thinking in terms of a moss green and a light brown, but they weren't dark enough."

Thus advised, I asked my 8-year-old son if he wanted to help me paint the lawn, but he and his friend Erik were deeply involved in an urgent Nintendo game that is not expected to be completed during my lifetime. Fortunately Erik's 6-year-old brother, Tyson, was able to make some room in his schedule, so we got my son's watercolor set and went out to paint the brown spot.

After a while we got tired of dark green, so at Tyson's suggestion we switched over to purple, then red, then orange, and when we were done we had converted what had been a dull and unattractive area of the lawn into an area that looked as though somebody had just thrown up several pounds of semi-digested jelly beans.

Tyson and I were standing there admiring our work when — this really happened — up drove a pizza delivery man, apparently sent by the God of Comedy Setup Lines.

"Looks like rain!" he said.

"Yes," I said, "and wouldn't you know it, I just painted my darned lawn!"

I added a friendly "Ha ha!" to reassure him I was a normal person unlikely to suddenly chop him into fragments with a machete, but he was already accelerating down the street.

Nevertheless, the lawn-painting was a critical success, and it got me thinking about other ways I might be able to improve nature around our house, especially the yard crabs. I do not care for them. Being from the North, I prefer yard critters that are furry and cute, whereas crabs look like body parasites magnified 1,000 times. During mating season, I'll go out in my yard, and there, blocking my path, will be a crab, adopting a karate stance to prevent me from mating with his woman.

"I don't want to mate with your woman," I tell him. "Your woman is a CRAB, for God's sake."

So anyway, my idea is that the crabs should wear costumes. I'm thinking specifically of chipmunk costumes.

I could look out the window and watch them scuttling around the lawn in their furry finery, and it would be just like being back up North on a brisk fall day following a nuclear accident that had caused all the chipmunks to develop extra legs and walk sideways. My only question is where I'd get chipmunk costumes for crabs, but I'm sure the federal government can help me out. Assuming it's not too busy touching up federal rocks.

Knight-Ridder Newspapers.

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GENERAL NEWS

Brazilian Voters Lean to a Newcomer

By James Brooke
New York Times Service

RIO DE JANEIRO — For the first time since 1960, polltakers are asking Brazilians for whom they will vote in a presidential election.

They are getting an unexpected focus of response: an energetic 39-year-old man who advocates foreign aid to save the Amazon and, to save the economy, capitalism and foreign investment.

Confounding forecasts that a leftist would lead the race to elections here in November, Fernando Collor de Mellor has emerged from a 24-candidate pack with a 41-to-44 percent command in polls.

His leading challenger, Leonel Brizola, a 67-year-old Socialist, trails with 12 percent. Luis Ignácio da Silva, a Marxist congressman known as Lula, dropped from 15 percent in April to 5 percent in July.

Suddenly, the race to run the world's third most populous democracy in the 1990s revolves around a figure who until recently was little known — not only outside Brazil but also inside.

Until May, Mr. Collor was governor of Alagoas, Brazil's second smallest state. His party, the National Reconstruction Party, was *founded in February*.

As recently as March, the Collor campaign invited a dozen São Paulo business leaders to meet the candidate. Only three came.

The sudden emergence of a handsome young candidate who grew up listening to the Rolling Stones speaks of a changing, uncharted Brazil.

Today, 94 percent of Brazilians regularly watch television — a medium that was negligible during the last presidential campaign, in 1960. Because of the military coup of 1964, 85 percent of Brazil's estimated 82 million voters have never voted for a president. With 16-year-olds allowed to vote, half of Brazil's electorate is under 35.

Misreading the mood, Mr. Brizola responded to his young rival's surge in May by branding him "puppy of the dictatorship." This month, he corrected his gaffe and redubbed Mr. Collor "playboy of the dictatorship."

The race to run the third most populous democracy revolves around Fernando Collor de Mellor, who until recently was little known outside Brazil and also inside.

With his actor's smile, aquiline nose, and swimmer's build, Mr. Collor seems to have stepped out of one of Brazil's slickly produced soap operas. Brazil's powerful Globo network has given generous air time to his campaign.

"When I heard about Collor, I *thought Collor-Quayle*," Emilia Viotti da Costa, a Brazilian who teaches history at Yale University, said here. "They are both media creations."

In an echo of John F. Kennedy's campaign, Mr. Collor stresses youth and vigor.

Magazines have featured color photos of the candidate, a former Brazilian karate champion, jogging, swimming, or relaxing at home with his 24-year-old second wife, Rosane, a college senior. Photographers have a harder time catching him indulging in a secret vice, smoking Cuban cigars.

"An election is not a beauty contest, a most beautiful hairdo contest — it's a competence contest," said Paulo Salim Maluf, a former governor of São Paulo who is running far behind in the race.

But there is more to Mr. Collor's meteoric rise than tailored suits and movie-star good looks.

Across Brazil, he is now known as the hunter of "maharajahs." Maharajahs, Brazilian-style, are civil servants who work little and earn big paychecks.

For example, in Paraíba, an impoverished northeastern state where the per capita income is about $500 a year, state legislators *are paid nearly $100,000* a year.

On the national level, eyebrows were raised this month when President José Sarney Costa went to Paris to celebrate the 200th anniversary of the French Revolution. With him on the presidential jet were 150 friends, twice the size of the Japanese delegation.

Mr. Collor began a crusade two years ago against "maharajahs" in Alagoas, his home state. In a move that captured the national fancy, he placed a $750-a-month cap on all state salaries.

Now he vows to clean house on a national level — dismissing millions of civil servants, jailing corrupt officials and selling inefficient state industries to the private sector.

"If I am elected, I am going to establish the *minimum* conditions so that finally there is capitalism in Brazil," he told interviewers from O Estado de São Paulo, the newspaper of industrialists.

On preservation of the Amazon, not a major campaign issue in Brazil, Mr. Collor has called for foreign aid to be channeled through private conservation groups to help administer parks.

"The government has been incapable of protecting even parks and natural reserves under permanent threat," he said in his party nomination speech this month. "We have to accept international aid."

Not all Brazilians have been dazzled by Mr. Collor's sudden emergence. Calling the Collor phenomenon "collective mystification," Fôlha de São Paulo wrote in an editorial: "He does not have a program — he has an image. He does *not have a party — he has a vehicle* for his personality cult. He does not say anything — only what people imagine that he is saying."

Some Brazilians bridle at his "Mr. Clean" image. This month, the justice minister, Oscar Dias Corrêa, ordered federal prosecutors to investigate corruption charges against Mr. Collor.

Ramón Areces Rodríguez, Spain Magnate, Dies

Compiled by Our Staff From Dispatches

MADRID — Ramón Areces Rodríguez, 84, the founder of Spain's biggest privately owned company, the El Corte Ingles chain of department stores, died Sunday.

A widower who left no children, he built his business from a small Madrid tailor's shop he founded in the 1930s to a retail giant employing more than 30,000 people, with branches in most major Spanish cities. The Spanish media put his personal wealth at more than $2.5 billion.

Mr. Areces kept the bulk of El Corte Ingles shares in his own hands with the rest divided between his family and senior company employees.

A spokesman said recently that that firm's future would depend on Mr. Areces's will, but that he expected it would remain in the control of cousins and other relations.

AFP

Ramón Areces Rodríguez

Mr. Areces was born at Grado, a village in the northern region of Asturias. At 15, he emigrated to Havana where he began to work as a store errand boy. In 1925, he went to Canada and graduated from Montreal University, where he majored in economic sciences. He worked for nearly two years in New York in an export firm.

He returned to Havana and remained there until 1935, when he traveled back to Spain. One year later, he bought his first store.

(Reuters, AP)

■ *Other deaths:*

Cecil Moores, 86, a multimillionaire who operated the Littlewoods lottery on soccer pools, on Saturday while on vacation in Scotland.

Frederic Ernest (Sunshine Sammy) Morrison, 76, one of the originals in "Our Gang," later titled "*Little Rascals*," the mischievous kids of movies and television, in Lynwood, California. He was believed to be the first black actor to sign a long-term film contract.

Maurice Seiderman, 81, a movie makeup artist whose work was seen in such films as "Citizen Kane," on July 18 of a heart attack in Port Angeles, Washington.

Paul C. Mangelsdorf, 90, a botanist whose crossbreeding of corn and other grains earned him a worldwide reputation, in his sleep Saturday at the Carol Woods Retirement Community in Chapel Hill, North Carolina.

John W. Studebaker, 102, U.S. Commissioner of Education from 1934 to 1948, on Wednesday in Walnut Creek, California.

Lane Frost, 25, a world champion rodeo rider, was gored to death by a bull on Sunday in Cheyenne, Wyoming.

Zhou Yang, 81, one of the Communist Party's leading literary arbiters for nearly 60 years and a champion of artistic freedom, on Monday in Beijing after a long illness.

lifestyle 2000
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No Miracles in the Park: Homeless New Yorkers Amid Drug Lords and Slumlords

By John Kifner
New York Times Service

NEW YORK — "It's an interesting, intricate social situation," Nathaniel Hunter Jr. observed early Sunday morning from the bench in Tompkins Square Park, where he has lived for the last six years. "The internal contradictions are constantly slamming into each other."

In the after-midnight darkness, nearly 300 homeless people were stretched out in the park — sleeping, trying to sleep, talking, drinking.

Their number had steadily grown from the 137 who were evicted when the police tore down their tent city two weeks earlier after a series of clashes. A cooking fire smoldered near some bushes, and a tepee and other shelters had been made from sheets of plastic and cardboard refrigerator boxes.

More and more homeless people have been trickling into the park, attracted both by the latest burst of public attention and the number of nearby soup kitchens operated by religious groups, turning the park into a kind of a sanctuary and rallying point.

Clothing drying on fence posts and people washing themselves in the drinking fountains have brought a sense of crisis. But the homeless people are only the latest addition to the city's most hard-used park, where elderly Poles and Ukrainians hold down their benches on the west side and younger Puerto Ricans, blacks, Cubans and Jamaicans come in from the blocks to the east.

Reflecting the neighborhood, the mix in the park is yet more complex.

Skateboarders, basketball players, mothers with small children, radicals looking like 1960s retreads, spikey-haired punk rockers in torn black, skinheads in heavy work boots looking to beat up the radicals and punks, dreadlocked Rastafarians, heavy-metal bands, chess players, dog walkers — all occupy their spaces in the park, along with the professionals carrying their dry-cleaned suits to the renovated "gentrified" buildings that are changing the character of neighborhood.

Tompkins Square Park, 10.5 acres (4.2 hectares) of worn but tree-shaded pavement and scuffed grass, is a hub of Manhattan's Lower East Side — an uneasy community that is the meeting ground of the two most powerful forces in the city today: drugs and real estate.

The story told by Mr. Hunter, a gentle, shrewd-spoken, gray-bearded black man who keeps a small rake and shovel by his bench to tend nearby cherry and black-oak trees, is that of many of New York's homeless: A single, massive blow pushed them over the edge.

In his case, he said, it was the purchase of the nearby high-rise where he lived by speculators who turned it into co-ops, leading to a long, unsuccessful struggle against eviction.

"I was doing everything right, paying my rent on time, paying my cable TV on time," said Mr. Hunter, at that point a self-employed contractor. "But they wear you out after a year and a half or two. I was physically, financially, psychologically pooped out. I just wanted to be left alone, to find a spot in space to cool my head out. So I came here. I found a sanctuary — really: trees, open space, solitude.

"Of course at that time, it wasn't so pulsating with events. But now we have cook fires burning, political activists yelling, police around, all the things I had been running away from" — he burst into a whoop of laughter at the irony. "Now I'm worried about my actual eviction from the park."

Late at night, the neighborhood can seem bizarre.

The Newcomers Motorcycle Club was having its annual block party at its clubhouse at 12th Street and Avenue B, and the street was lined with chromed Harley Davidsons with raised "ape-hanger" handlebars and beefy men and hefty women in black leather.

A block north, a rock concert had spilled out of a "squat" — an abandoned city-owned building taken over by out-

> **'We have cook fires burning, political activists yelling, police around, all the things I had been running away from.'**
> **Nathaniel Hunter, resident of Tompkins Square Park**

law renovators, mostly young artists — and the street was filled with young people whose purple hair stood straight up in spikes.

At the World Club, just off Houston Street near Avenue C, black youths pulled up in the Jeep-type vehicles favored by cash-heavy teen-age crack moguls, high-powered speakers blaring.

At the corner of Avenue B and Third, considered one of the worst heroin blocks in New York, another concert was going on at an artists' space called The Garage, set in a former gas station walled off by plastic bottles and other found objects. The wall formed an enclosed garden looking up at burned-out, abandoned buildings; there was an eerie resemblance to Beirut.

The crowd was white and fashionably dressed, and a police sergeant sent to check on the noise shook his head, bemused: "It's all yuppies."

By day, the contrasts are still sharp.

On a late weekend morning, a shirtless man with matted hair reeled angrily out of the park toward couples eating eggs Benedict at sidewalk tables of the Life Café at the park's northeast corner. As best as could be determined through a thick Jamaican accent, the man was shouting, "Kiss my granny's grits."

A store on the east side of the park offered vegetarian dog food, while another, called Le Snakepit, featured bracelets studded with steel spikes and T-shirts with skull motifs.

Federal agents recently closed down two grocery stores and a car service as fronts for drug sales.

Many of the contrasts — and the tensions — have to do with gentrification. A hub of the 1960s counterculture, this was a neighborhood largely of working poor whose cheap, if shabby, housing also attracted artists, radicals and the young.

Now, with one-bedroom apartments renting for $1,200 a month, Avenue A is widely seen as gentrification's cutting edge.

The housing crisis has spawned a growing movement of squatters who say they have taken over about 20 abandoned buildings — at least two of which now have art galleries — and are working to bring them up to housing code standards.

On Saturday afternoon, a Puerto Rican group at the bandshell played Jibaro mountain music — the equivalent of hillbilly laments about the city and the longing for home — while a woman from a Long Island ministry called Hope for the Future firmly formed up several hundred people into an orderly soup line.

In the section of the park where homeless people had set up their headquarters, Darleen Bryant, one of the leaders of the group, who said she was also known as "Momma," talked of "turning up the heat on the street" with more demonstrations to force the city to give over buildings for the homeless people.

The Reverand Frank Morales, an Episcopal priest who is one of the organizers of the squatters' movement on the Lower East Side, spoke quietly with a group planning strategy. "I'm agitating toward the occupation of empty buildings, breaking in with a sledgehammer if necessary, with or without city approval," he said. "We believe in the human right to a house. The situation in the park is that homeless people will come in greater and greater numbers because they feel they have a community of support."

Julio Morales walked by the park with his family, trailing silvery heart-shaped helium balloons, on their way to the Ukrainian social club which he had rented for his daughter's sweet-16 party.

"This is my neighborhood," Mr. Morales said, adding with some regret that he now lived in Brooklyn.

In 1982, he said, he agreed to take a job in upstate New York but soon found that his family missed the city. "We came back, but we couldn't find anything because of the cost of the housing," he said. "The buildings are vacant, the apartments are vacant, but the landlords don't want anyone moving in to rent. They want them all to be condos."

POLAND: *Kiszczak Named*

(Continued from page 1)

as calling the next two weeks "the most critical" for his government.

But senior Solidarity strategists said that, while they believed the situation to be intensely critical in the face of the impending food price rises, they felt that reactions in the form of disturbances might not come until September, when Poles begin trickling back from summer holidays and the full force of the price hikes is felt.

General Kiszczak, 63, has been the leading government negotiator with Solidarity and conducted the roundtable negotiations with the opposition movement that led to the present developments.

The roundtable agreement, signed in April, provided for virtually free elections that for the first time in a Communist country allowed the anti-Communist opposition to enter parliament. It also created a presidency with considerable powers, rather than the largely ceremonial post that was previously held by General Jaruzelski.

As the Communists' official candidate, General Kiszczak was expected to be officially nominated by President Jaruzelski to replace Mr. Rakowski, whose resignation after about 10 months in office followed the Communists' crushing electoral humiliation last month.

Solidarity's parliamentary bloc voted last week to urge parliament to impeach Mr. Rakowski.

During his tenure as prime minister, industrial production fell, the value of the zloty, the national currency, collapsed, and Poland was forced to appeal to Western countries for immediate aid in the form of food deliveries.

Beirut Duels Kill 14 and Injure 110

United Press International

BEIRUT — Christian gunners and Syrian-backed Muslim militiamen fought in and around the divided Lebanese capital, killing 14 persons and wounding 110 in a battle that lasted until Monday morning.

The fighting erupted late Sunday after Christian military forces engaged in tank and rocket clashes with the Syrian-backed Druze Muslim militiamen around the army garrison of Souk el Gharb, located 11 kilometers (seven miles) southeast of Beirut.

The clashes soon spread, and shells crashed into nearby Christian and Druze villages as well as in residential districts in the Muslim and Christian sectors of Beirut.

The shelling waned early Monday, and the guns fell silent after 10 hours of bombardments.

The police said that 14 persons were killed and that 110, including three Christian soldiers, were wounded. The latest casualties brought the death toll to 534 in the current round of violence, which began in March.

The headquarters of the leader of the Christian military forces, Major General Michel Aoun, in the southeastern suburb of Baabda suffered several direct hits, as did the West Beirut offices of Salim Hoss, the Muslim head of the pro-Syrian administration. None of the officials was hurt.

As the bombardment raged, the remaining residents of Beirut raced to underground bunkers as ambulances drove the wounded to hospitals. The population of Beirut has dwindled to 250,000 from 1.4 million 20 weeks ago.

JAPAN: *Elders Knock Down a 52-Year-Old Pretender*

(Continued from page 1)

the Young Turks," said Takeshi Sasaki, a political scientist at Tokyo University.

But that theory did not seem to square with the fact that the youthful Mr. Kaifu is on the ascendant. So another explanation was that Mr. Hashimoto had been done in by rivals in his own faction and age group who were jealous of his progress.

Mr. Hashimoto's fate was decided at a Sunday evening meeting attended by three top leaders of the faction headed by Noboru Takeshita, the former prime minister who resigned April 25 because of the influence-peddling scandal involving the Recruit Co. conglomerate.

The Takeshita faction is the LDP's largest, and Mr. Hashimoto himself is a member.

Attending the meeting were Ichiro Ozawa, a 47-year-old former deputy chief cabinet secretary who is regarded as a rival of Mr. Hashimoto; Shin Kanemaru, a 74-year-old former deputy prime minister; and Keiwa Okuda, a 61-year-old LDP parliamentary leader.

Although the session was ostensibly secret, the trio's decision was published in every major Japanese newspaper Monday morning: No Takeshita faction member (including, by implication, Mr. Hashimoto) would run for the prime ministership.

The official reason given was that the faction felt responsible for Mr. Takeshita's role in choosing Mr. Uno, who proved a disaster because of a sex scandal.

Moreover, the newspapers said, Mr. Hashimoto had been deemed to bear responsibility, along with Mr. Uno, for the LDP's electoral setback because he is the party's secretary-general.

But nobody here attaches much credence to those rationales for what was a fairly obvious power play against Mr. Hashimoto.

Mr. Hashimoto announced his acceptance of the verdict Monday morning. In the afternoon, the full steering committee of the Takeshita faction ratified the decision, according to faction sources.

Attention is now focusing on the small faction headed by Mr. Komoto. If he decides he wants the job, it is likely to be his, analysts say, because Mr. Kaifu would hardly dare to challenge his own faction leader.

But pressure may be brought to bear on Mr. Komoto to step aside and allow Mr. Kaifu to take the job, since the LDP badly needs a new, youthful image to carry into election campaigns looming a few months down the road.

On the other hand, nobody is sure what will happen next. "I wouldn't surprised if it turns out to be another name entirely," a Western diplomat said. "It seems like they have five or six new names every day."

Colonel Had Varied Experience

The Associated Press

When he was abducted Feb. 17, 1988, Lieutenant Colonel William R. Higgins, 44, headed a 75-member observer group assigned to the United Nations peacekeeping force in southern Lebanon. He was returning from talks with a moderate Shiite Muslim militia leader that reportedly touched on hostages.

In December, Colonel Higgins' kidnappers said they had sentenced him to death as a spy for Israel. Their statement at that time did not give an execution date for Colonel Higgins, who once was an aide to Caspar W. Weinberger while he was secretary of defense.

He was commissioned as a second lieutenant in 1967 and served in Vietnam in 1968 and again in 1972. Later, he was a rifle company commander on Okinawa, an instructor at the Staff Noncommissioned Officers Academy at Quantico, Virginia, and a rifle company commander at Camp Lejeune, North Carolina.

Colonel Higgins served in various staff positions at Marine Corps headquarters in Washington and at the Pentagon. He completed studies at the National War College in 1985.

He and his first wife, Bonita Spalding, had a daughter, Christine Lynn. She is 17.

His second wife, Robin Higgins, a Marine Corps major, is assigned to the Pentagon.

Reuters

Colonel Higgins, before his abduction, on duty with the UN.

Abductors Have Killed At Least 8

The Associated Press

BEIRUT — At least eight persons have been killed by abductors in Lebanon. They are:

- William Buckley, 57, Beirut station chief of the Central Intelligence Agency, who was seized March 16, 1984. A pro-Iranian Shiite group, Islamic Holy War, said Oct. 4, 1985, it had killed him but no body was found. On Jan. 20, 1987, the United States said he was dead.
- Peter C. Kilburn, 62, of San Francisco, a librarian at the American University of Beirut, who disappeared Dec. 3, 1984, and was found April 17, 1986, shot to death with two British hostages. A note said they had been killed in retaliation for a U.S. air attack on Libya.
- Leigh Douglas, 34, a British professor at the American University of Beirut, who disappeared March 28, 1986, in West Beirut. He was found shot to death with Mr. Kilburn.
- Philip Padfield, 40, a British language teacher, who disappeared at the same time as Mr. Douglas. He also was found dead with Mr. Kilburn.
- Nicolas Kluiters, a Roman Catholic priest from the Netherlands, who disappeared in eastern Lebanon March 14, 1985. His body was found April 1, 1985.
- Denis Hill, a Briton who taught English at the American University of Beirut and who failed to show up for work May 27, 1985. He was found two days later dead of gunshot wounds.
- Arkadi Katkov, 32, a cultural attaché at the Soviet Embassy in Beirut, who was abducted Sept. 30, 1985, with three other Soviet diplomats and was found murdered Oct. 2 in a West Beirut suburb. The others were later freed.
- Michel Seurat, a French researcher, who was seized May 22, 1985. On March 5, 1986, an Islamic Jihad statement said that Mr. Seurat, 39, had been "executed."

The British Foreign Office says it is seeking to learn the fate of Alec Collett, a New York-based British journalist who was abducted March 25, 1985, in Lebanon. Palestinians said April 23, 1986, that they had killed him, but his body was not found.

House Approves Delay on Airline Safety Device

The Associated Press

WASHINGTON — Heeding pleas by the aviation industry, the House on Monday agreed to let the government push back by at least two years the deadline for the installation of an anti-collision device on airliners.

By voice vote, the House unanimously approved legislation allowing the Federal Aviation Administration to extend to Dec. 30, 1993, the deadline for installing the traffic alert and collision avoidance system.

The aviation agency would be empowered to permit further delay if problems continued. The Senate has yet to approve the legislation.

A law enacted in 1987 set the current dates for installation of the devices in airliners with at least 30 seats. The requirement would cover 4,000 U.S. aircraft and would cost — including installation — an estimated $310,000 per plane.

Industry groups have complained that the devices, which are not mass-produced, will take a long time to manufacture, test, install and maintain properly.

CAMBODIA: *Beijing Plays Down Khmer Rouge*

(Continued from page 1)

said. "China can do a lot. She plays a big role in the process of peace."

Specifically, he continued, China can "put pressure" on its allies — the Khmer Rouge — to reach a settlement.

The conference participants felt so confident they were on the road to peace that there were numerous calls to send a fact-finding mission to Cambodia at once to prepare for an international control commission.

The Khmer Rouge remain one of the four Cambodian delegations at the conference, however, and the Cambodians themselves have yet to agree how they will continue their own negotiations during the monthlong conference.

Prime Minister Hun Sen, head of the government installed by Vietnam in 1979, and Prince Sihanouk, head of the resistance coalition that also includes a noncommunist, Son Sann, remain the principal rivals.

Neither gave much ground in their formal speeches Sunday. But personal relations between them have improved. On the conference floor, the members of the two delegations greet each other, in some cases with warm embraces.

China welcomed Monday the Vietnamese pledge to withdraw its troops from Cambodia. Foreign Minister Nguyen Co Thach of Vietnam described Mr. Qian's speech as having been among the calm and constructive discourses heard at the conference.

While continuing to demand that Cambodia create a four-party government, Mr. Qian said that Prince Sihanouk "enjoys high prestige both at home and abroad and a unique position which no one can replace."

The conference is expected to continue until the end of August with its 19 participating nations and organizations. The four Cambodian factions will continue their separate negotiations on an interim power-sharing arrangement.

■ U.S. Reopens China Links

The United States re-established high-level contact with China on Monday, nearly two months after troops forcibly put down the pro-democracy demonstrations in Beijing, The Associated Press reported from Shannon, Ireland.

But Secretary of State James A. Baker 3d, who requested the meeting with Mr. Qian in Paris, stressed that the United States was unhappy with China's actions, which threatened the country with diplomatic isolation if continued, a senior U.S. official said.

The meeting was held in a side room of the Cambodia conference hall.

After the June 3 and 4 crackdown in Beijing, President George Bush imposed a series of sanctions, including a ban on high-level exchanges between U.S. and Chinese officials and on visits to Beijing by senior U.S. government officials.

Mr. Baker, taking the view that the sanctions did not keep him from meeting with Mr. Qian in Paris, requested the meeting in which the major topic was the future of Cambodia.

The official said that Mr. Baker and Mr. Qian agreed that Vietnam should release its hold on Cambodia.

On the internal policies of China, the official said, Mr. Baker "made the point that repression would not be understood by the American people."

Mr. Baker, who stopped briefly in Shannon on his way back to the United States, stressed that the United States wanted to maintain strong ties with China, but that Mr. Bush would need some help in terms of the future course of actions in Beijing.

18 Victims Still Missing In Lebanon

Reuters

BEIRUT — The execution of Lieutenant Colonel William R. Higgins has left 18 foreigners missing and believed held hostage in Lebanon.

The hostages or missing persons in Lebanon are listed in the order in which they were seized or disappeared.

1985

- March 16: Terry Anderson, American, 41, Middle East bureau chief of The Associated Press.
- May: Florence Raad, 35, Lebanese-French, journalist.
- June 9: Thomas Sutherland, American, 58, dean of agriculture at the American University of Beirut.
- June 29: Faik Wareh, 65, U.S. citizen of Syrian origin, businessman, missing.
- Sept 11: Alberto Molinari, Italian, 65, businessman.

1986

- April 11: Brian Keenan, 36, dual Irish and British nationality, instructor at American University of Beirut.
- April 17: John McCarthy, 31, British, journalist for Worldwide Television News.
- Sept. 9: Frank Herbert Reed, 57, American, director of Lebanese International School.
- Sept. 12: Joseph James Cicippio, 59, American, deputy comptroller of the American University of Beirut.
- Oct. 21: Edward Austin Tracy, 57, American, book salesman.

1987

- Jan. 20: Terry Waite, 50, British, envoy of the archbishop of Canterbury, disappeared while on a mission to free Western hostages.
- Jan. 24: Robert Polhill, 54, Jesse Turner, 40, Alann Steen, 50, Americans, staff members of Beirut University College.

1988

- March 17: Mohammed Mahmoud Jiar, Egyptian Muslim cleric, seized in southern Lebanon.

1989

- May 12: Jack Mann, 75, British, retired airline pilot and nightclub manager, disappeared in West Beirut.
- May 16: Heinrich Strübig, 48, Thomas Kampner, West Germans, aid workers for ASME Humanitas Relief Agency for Palestinian refugees, seized in southern Lebanon.

OUTRAGE: *Bush Cancels Tour*

(Continued from page 1)

in response to the Israeli action or at an earlier day.

"Nobody's certain how you figure that out," an official said.

Mr. Bush scheduled a meeting of the National Security Council for Monday afternoon. Officials said one of the first questions would be to review the intelligence on Colonel Higgins. Officials also said there would be discussion of how the United States should react.

Mr. Bush told the governors he was returning to Washington and, if the report of the execution was right, he would "then figure out what might conceivably be done."

Mr. Bush made no comment about a proposed exchange advanced by Defense Minister Yitzhak Rabin of Israel.

Bob Dole, the Republican leader of the Senate, said in Washington, "Perhaps a little more responsibility on the part of the Israelis one of these days would be refreshing."

Senator Dole said that if the reports of Colonel Higgins's death proved true, then he would "hope the Israelis would take another look at some of their actions that they must know in advance would endanger American lives."

He said he hoped Mr. Bush could "have some understanding with the Israelis about future conduct which, I've indicated, endangers the lives of Americans."

Before Mr. Bush made his comments, the senator said that if the reports of the hanging were true, he hoped the administration would have "an appropriate response."

"I'm not certain when an appropriate response would be," Mr. Dole said, "but I'm certain there should be a response."

Officials said the White House would study possible military retaliation for the killing.

■ Shevardnadze Quits Paris

Foreign Minister Eduard A. Shevardnadze flew to Tehran from Paris on Monday to meet Iranian leaders, Tass said Monday, according to a report by United Press International from Moscow.

■ Some Criticize Israelis

Members of Congress reacted with anger Monday to the reports that Colonel Higgins had been hanged, but some lawmakers directed part of their anger at Israel, United Press International reported from Washington.

Representative Lee Hamilton, Democrat of Indiana, the No. 2 Democrat on the House Foreign Affairs Committee, criticized the abduction of Sheikh Obeid.

"The action by the Israelis to kidnap Obeid was taken as far as I know without consultation with the United States," he said.

EXECUTE: *Colonel Is Hanged*

(Continued from Page 1)

not freed according to the set time frame."

The statement was titled "An opening gift" and included the customary Islamic introduction, "In the Name of God, the Merciful and Compassionate."

"Let this be an example for those who will learn, a punishment for the living, and a reminder to those who had a heart, who heard and who witnessed," the statement went on.

It reiterated the demand for the immediate release of the sheikh and the two others.

"What is to come will be more formidable and America and Israel will be fully responsible," the group warned in what appeared to be a threat concerning the fate of other hostages.

The threat Sunday to kill the colonel was the fourth since his abduction. In a statement on Dec. 12, 1988, the captors said they had decided to kill Colonel Higgins as a spy for Israel and in retaliation for Israeli air strikes against Lebanese and Palestinian targets.

The group said it condemned Colonel Higgins after he confessed that he had provided information to Israel about the Islamic Resistance, a coalition of Iran-backed fundamentalists ready for martyrdom who specialized in attacks against Israeli soldiers and their Lebanese allies in southern Lebanon.

On April 21, 1988, the organization said in a statement that Colonel Higgins had been put on trial at the "Court of the Oppressed" for what it said were crimes against Muslims and Palestinians.

Defector Wants to Go to U.S.

Reuters

SEOUL — A Chinese Army officer and his wife who defected across the border between North and South Korea have told Seoul that they want asylum in the United States, the news agency Yonhap reported Monday.

EXIT: *In France, King Fahd Seeks a Short Way Home*

(Continued from page 1)

accommodate up to 15,000 cars a day and now carries about 85,000. Things can only get worse, because the road is being expanded to six lanes along much of its length; there are plans to make it eight lanes.

Mrs. Le Pivain, and many of the 20,000 people who live in Fontenay le Fleury, want the freeway to be sunk into a covered-over depression. Instead, regional authorities have proposed an eight-meter-high (26-foot) sound barrier along part of the road — which the mayor says would be ineffective and would disfigure the neighborhood.

"I cannot accept that when we ask on behalf of 20,000 people for the highway to be covered, we get no reply for months. Yet we learn that King Fahd asks for a direct exit and he gets it just like that."

For the mayor and other officials, the affair is symptomatic of the way things are done in France.

"The property was sold without my being told. The works were started without my being told. So much for decentralization," said Mrs. Le Pivain, a political independent.

She rejected the contention that the king needs a special interchange for security reasons because "he'll have a security problem as soon as gets on the highway."

The mayor said she had not gone into the financial aspects of the deal nor had she commented on the king personally. "I am not unhappy the property has been bought, because it had been abandoned and was quite insecure." But, grumbling about "two weights and two measures," she said: "What shocks me, is the state gives permission like this to a private person. It is unheard of."

DEATH NOTICE

The family announces the death of Tassilo.

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born in Brussels June 10th, 1903 resident of Monte Carlo who died in Strobl by Salzburg, July 15th, 1989. Survived by his widow, born Cecil Amelia Blaffer and his children Princess Ira von Furstenberg & Princes Egon & Sebastian von Furstenberg.

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(Continued From Back Page)

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ARTS / LEISURE

Kubin

Kim Knott

Balenciaga's 1962 black bolero, embroidered by Lesage, left, and Gianfranco Ferré's evening coat lined in black crepe, for Dior 1989.

Balenciaga: The Art and the Skill

SUZY MENKES

International Herald Tribune

PARIS — When the late, great Cristobal Balenciaga was asked to make a ready-to-wear line, his answer was always the same: "I won't prostitute myself."

The spare, precise clothes of the reclusive designer not only defined the shape of fashion in the 1950s. He also defined for all time the essence of haute couture. It is summed up by Balenciaga himself, shaking with "subterranean anger" when he saw anything but the "perfect sleeve." He would remove a coat or suit jacket from a client and silently unpick the ofending sleeve, before remaking it to his exacting standards.

An intelligent and superbly illustrated book about Balenciaga, ("Cristobal Balenciaga" by Marie-Andrée Jouve, text by Jacqueline Demornex, published in French by Editions du Regard and in English by Thames and Hudson) in conjunction with the haute couture collections in Paris, puts the spotlight on what Bernadette Chirac called last week "one of the glories of France."

Balenciaga launched on the fashion world the kimono coat, the sailor top, the tunic and the "sack" dress. He also taught a new generation about the precision of cutting and the harmony of proportions.

Without Balenciaga there would have been no Courrèges, to redraw the miniskirt on geometric lines and bring couture into the modern age. Courrèges worked with Balenciaga through the 1950s. When he set up his own house and sent fashion's yourthquake rumbling through couture, Balenciaga gracefully withdrew. He closed his couture house in 1968, French youth's *annus mirabilis*, and a fashion chapter closed with his death in 1972.

Balenciaga was not a household name, as Dior became. The way that modern designers take their lap of honor on the runway would have been an anathema to this most Garbo-esque of designers, who never gave an interview or promoted himself.

He was a designer's designer. "Notre maître à tous" (The master of us all), Dior called him.

"Balenciaga is the only real couturier," Coco Chanel declared. "He alone is capable of cutting the fabric, mounting it, of sewing it with his own hands. The others are just designers." Chanel was one of Balenciaga's few close friends until a row erupted between them and he sent back, like a jilted lover, all her gifts.

Balenciaga lived for and loved his work.

"This prince of luxe is a monk," claimed a fashion dictionary in the 1950s, when Balenciaga's fame was at its apex.

"A monastery, architectural and spiritual," was how Courrèges described the atmosphere at the Avenue George V, where the salon windows were dressed in abstract expressions of his art: a nail-studded torso; a sculpted faun.

"Passion, obsession, rigor, nobility, in his way of working," says Emanuel Ungaro, who was trained by the master from 1958 to '64. Givenchy was another designer to be apprenticed to Balenciaga, before setting up his own house in 1952. By contrast, the two designers launched on haute couture in Paris this season — Gianfranco Ferré at Dior and Angelo Tarlazzi for Guy Laroche — have both made a leap into the unknown from ready-to-wear to couture.

In every collection made by Balenciaga was his talisman: a little black dress that he had made — every stitch of it — entirely with his own hands. The night before the couturier went skiing — one of his few pleasures outside his work — his window artist, Janine Janet, found him "cutting out an anorak." In a symbolic place of honor in Balenciaga's Spanish home was his mother's sewing machine.

From Balenciaga's technical skill flowed his artistry. For whereas today's collections often have imaginative ideas, awkwardly realized, there could be no such divide in Balenciaga's work. He set up his own house in Paris in 1937, when he was already well-established in Spain. His early prewar collections already contained the essence of his style, which dominated fashion for the next 20 years: the sculpted lines of the tailoring; the swelling coat sleeves, that ripenend into a melon-shape by 1950; the stiffly romantic evening gowns of 1939, inspired by Spanish infantas; the haughty models, backs arched, stomach hollowed. Balenciaga would repeat to his mannequins Salvador Dalí's words: "A distinguished woman awlays has a disagreable air."

There is something surreal about Balenciaga's designs, who would redraw the shape of the female body according to his own aesthetic. This book, with its wealth of illustrations, should be required study for every fashion student, for in the crystal clear photographs, you can see every fold and seam of Balenciaga's famous kimono sleeves (1959), his triple-layered moiré evening cape (1948), circular-seamed camel coat (1964), his batwing-sleeved little black dress (1963).

After a current Paris season in which decoration spread like bindweed, Balenciaga's deeply rooted style of decoration is also instructive: white silk fringes curving in two arcs around sleeves and hips of a severe black dress (1939), or jet embroidery — a current Paris passion — used by Balenciaga as spidery fringes against the plainest ivory satin dress (1962).

The most extraorinary part of the book is the collection of fine art laid out beside Balenciaga's creations. Marie-Andrée Jouve carried out this reseach for the "Hommage à Balenciaga" exhibition in Lyon in 1985, and although the accompanying text by Jacqueline Demornex is adequate, the book is built on Jouve's work (but is maddeningly without an index).

Here are Balenciaga's drawings for gowns inspired by Monet's crinolined ladies in a garden; there is a gleaming gold satin gathered sleeve, beside Zurbaran's flame-gold angel that inspired it. The paintings of Goya, Velázquez and especially Zurbarán echo and reverberate through Balenciaga's work, starting with those extraordinary 1939 Infanta dresses that brought together Balenciaga's Spanish origins, his sense of silhouette and garniture.

It all makes the arty themes of current couturiers look very superficial. But then, we live in a different age, and the clients too have changed. Balenciaga, it is said, dressed not just women who were written up in newspapers — but ones who became the subject of biographies.

Today's clients are mostly new money looking for couture as an outward and visible sign of prestige and success. Balenciaga, the man, would have been much too low-key for them. He never attended a client fitting; he would never have smiled through a charity benefit. When clients came backstage to congratulate him on the show, they would have found him quite alone, engrossed in unpicking a suit which had not come up to his own exalted level of perfection.

Italy's Capital of Gold-Jewelry Making

Arezzo Still Thrives on the 1926 Brainchild of Two Entrepreneurs

By Kate Singleton

AREZZO, Italy — The car halts at massive barred gates. From behind thick glass kiosks microphoned voices ascertain the reasons for the visit. Pass! Iron rails slide down into the asphalt and we cross a large empty enclosure and head for the porter's lodge. More questions.

Double automatic-locking doors open before us and close behind us. The interior is bare and unnaturally clean. From time to time a white-coated figure scuttles across the corridor and disappears into a room on the other side.

To do what, you may wonder. This is not the security wing of a psychiatric hospital or the atrium of a nuclear power plant. It is the headquarters of Uno A Erre, the biggest gold and silver jewelry manufacturers in the world.

In the factories behind those closed doors, more than 500 workers with sophisticated machinery annually transform 30 tons of gold and 10 tons of silver into the necklaces, bracelets, rings and earrings with which consumers all over the globe adorn their persons.

(Wedding rings are still a great seller: 55 percent of Italian weddings are said to be sealed with an Uno A Erre product.)

The company was set up in this Tuscan city in 1926. It was the brainchild, and soon became the raison-d'être, of Leopoldo Gori and Carlo Zucchi, two enterprising *Aretini* who foresaw the nascent wealth of a country whose transformation from agricultural to industrial reality was just beginning. As a result of the process that they began, Arezzo is now one of the world's major manufacturing centers for gold jewelry.

Gori's and Zucchi's original idea was to make jewelry for the expanding social group of people who had just that little extra to spend on luxuries. This meant aiming at a high and possibly mechanized output in order to reduce costs. In those early years, the machinery was bought in Germany, but it soon became clear that local technicians would have to be trained.

Garzi makes bracelets of steel and gold.

From repairing imported equipment, these self-taught specialists soon learned enough to introduce improvements. In time this led to the establishment of MGZ, a company within the Gori and Zucchi group that designs and builds machinery for jewelry production. Today, the most advanced MGZ products are closely guarded secrets that are used for the exclusive benefit of the Uno A Erre factory for a few years before being marketed.

Gori's and Zucchi's success story is, of course, not devoid of a little chapter of setbacks. Jewelry manufacture was not easy under the Fascist regime, when the import of precious metals became impossible and the company had to do its best with "autarchic gold" (a mixture of bronze and aluminum), platynite, zamac (a combination of zinc, aluminum, magnesium and copper) and other substitutes.

In addition, the old factory in the city was bombed, and the new one in the outskirts met with the same fate only a few days after it had been opened. Yet the company continued to prosper.

Just to what extent is quite difficult to gauge, for a number of reasons. First, because during the last 60 years a number of goldsmiths who were trained in the factory have left Gori and Zucchi and established small factories of their own, specializing in a particular product, style or look.

A case in point is the firm La Fonico, that was set up a few years ago by Paolo Compagnoni and a partner who learned the ropes of the industry as prototype makers at Gori and Zucchi. La Fonico employs 16 people and gets through around 1,000 kilos (2,200 pounds) of a gold a year just to make those little round fasteners used for necklaces and bracelets.

The technique involved is basically a somewhat mechanized version of the traditional cire perdue, except that the wax is all recycled: a series of precise clay molds are made from the original hand-tooled wax model and into these liquid gold is poured by centrifugal force.

Once the gold has cooled and solidified, the individual artifacts can be snipped from the matrix and hand finished before assembly.

By and large the same techniques are used in the slightly larger firm of Garzi, whose founder, now president of the national goldsmith's association, started off as an unskilled Gori and Zucchi worker. Garzi himself rightly saw space in the jewelry market for quality products with more design content.

His new factory bears witness to his indefatigable creative imagination: bracelets using interesting combinations of steel rope and gold, necklaces that are both simple and detailed, a top pocket "handkerchief" in silver or gold; in short, a yearly average of 400 new ideas.

Not quite all the 600 goldsmitheries in and around Arezzo share the Gori and Zucchi parentage, however. One notable exception is CentoTreo that produces about 300 kilometers (185 miles) of gold chains in 500 different models every year.

The question of waste processing, strange as it may seem, brings us back to the question of the real — rather than apparent — prosperity of firms producing gold jewelry. During the manufacturing process, 5 percent of the original gold is lost in tiny fragments that impregnate the air, fall to the floor and are dispersed.

Even though, for tax purposes, such loss is recognized as inevitable, the manufacturers actually recuperate around 40 percent of it by filtering the air and all waste water, including what goes down the workers' toilets.

Naturally enough, what is retrieved is a kind of bonus for the manufacturer. Granted, 40 percent of 5 percent may not sound like very much, but with current prices of gold and its high annual consumption, the retrieved value is important.

Not that this alone can account for the phenomenal number of Ferraris that have been bought by the citizens of Arezzo over the last few years. Unofficial estimates gauge that more than 80 percent of what the city's jewelry factories produce each year manages to elude the tax collector.

In the meantime, those companies that feel that they are most likely to be singled out for the occasional exemplary tax investigation have tended to aim at the export market where at least there is no value added tax to be paid. However, as Garzi sees it, such measures may not be sufficient in the future:

"The main jewelry manufacturers really need to collaborate in working out commercial strategies, improving the general design content of the products, and so on. But it's very difficult to get the interested parties together to discuss matters.

"The prevailing attitude is still that of the peasant farmer, which most of us were until quite recently. Granted, we were brought up among works by Piero della Francesca, Vasari and other great masters, and this must have imbued us with a sense of form. But that kernel of diffidence, of suspicion almost, will take several generations to fade out completely."

Kate Singleton is a Milan-based journalist who writes frequently on cultural affairs.

3 Decorators Go For the Big Gesture

By Suzanne Slesin

New York Times Service

NEW YORK — Something is happening in sophisticated decorating circles, that place where the trends begin. Although traditional rooms continue to be de rigueur — after all, they are what decorating with antiques is all about — the new look in traditional rooms is far from old-fashioned.

Three Manhattan-based designers — Geoff Howell, Thomas Burak and Nicholas Miles Pentecost — have created their own unconventional variations on traditional decorating themes. Theirs are not the extravagant French and English rooms that came into their own earlier in 1980s.

Studied without being stuffy, these apartments focus on over-scale objects — the big gesture — instead of being cluttered with myriad small things. In many cases, the elements are European, but the bravura with which they are assembled is decidedly American. The result is rooms that are, if not avant-garde, completely of the moment.

"Every area is a studied still life," said Howell, whose 12-by-13-foot (3.6-by-3.9-meter) room on the Upper West Side is the quintessential example of the style. Although Howell's space is only one small room in a shared apartment, he has created a rich, Edwardian-style fantasy world.

Howell, 32, is an illustrator and does window displays, often with painted backdrops that recall the style of Christian Bérard, the French illustrator and set designer of the 1920s and 1930s.

He said he was very influenced by an aunt who "was always making a world of her own."

"Everything in my room is addressed to the viewer," Howell explained. "I made sure to lay it all out in a four-square." In other words, a visitor who pivots from wall to wall comes face to face, on every side, with a complex and intriguing arrangement of objects.

In such a small space, Howell said, "order is everything." Thus color was kept to a minimum. The walls were mottled khaki-green and decorated with a series of Howell's lyrical charcoal drawings.

"I try and go for the unexpected," explained Thomas Burak. "It can be as simple as finding a wonderful tassle at a flea market and tying it onto a lamp."

A sense of humor doesn't hurt, either. For five years, the 40-year-old decorator has lived in a postwar West Side building that he described as "so awful" and "absolutely nothing." Instead of glazing the walls of the living room at great expense, Burak covered them with mottled dark gray paper — the first step in creating an interior that would contrast with the exterior.

"Very light or very dark creates drama," he said. "I find the dark gray very romantic and soothing in the evening."

With a few bold strokes, Burak then furnished the dark room with an eclectic group of pieces. These include a Renaissance-style leather folding screen and an English Victorian cabinet, over eight feet high, decorated with chinoiserie, faux bamboo and beveled glass.

"I'm not interested in pedigreed furniture," said Nicholas Miles Pentecost, who spent nearly 10 years as a designer for the firm Parish-Hadley, the scions of traditional decorating, before opening his own interior design office five years ago. "All those years of sharing projects," the 45-year-old designer said, "taught me that you neither want to do the same thing all the time nor want to be identified with a certain look."

For his Sutton Place apartment, Pentecost said, "I like strong things, things with texture and some sort of animation. I buy things that amuse me and are a little offbeat. I don't think there's anything particularly serious here."

Among his offbeat treasures is a pair of 18th-century Italian obelisks nearly four feet tall.

Black Pride Again Sets Fashion Pace

By Lena Williams

New York Times Service

THEY are throwbacks to the 1960s, recalling the time when the civil rights and black power movements inspired a generation of young black men and women, when everything and anything black was beautiful.

Symbolic jewelry and clothing is again being worn by young black Americans making statements of pride and identity: leather necklaces with medallions of red, black and green, some shaped in the outline of Africa, others framing photographs of Malcolm X Marcus Garvey or Haile Selassie; kufi hats of leather and kinte cloth; T-shirts that declare "Black by Popular Demand."

"They're a symbol of us becoming one again," said Andre Lee, 18, of Washington. "It's like the '60s all over again." Dennis Powell, 20, of Washington, said when asked what he thought it meant: "It's like that T-shirt. On the front it says 'It's a black thing.' The back says 'You wouldn't understand.'"

As with most trends, no one can pinpoint how it started. But two merchants in Harlem, Tyrone Edwards, a native of Antigua, and Lawrence Riley, of Trinidad, believe it came from the Caribbean.

"A lot of the Caribbean vendors had been making jewelry of leather to sell to tourists," Edwards said. "When some of the merchants came here, they brought the trade with them."

The leather jewelry sells for $3 to $10, the kufi hats for $15 to $20 and the T-shirts for $5 to $15.

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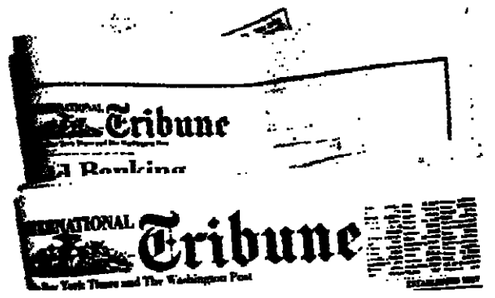

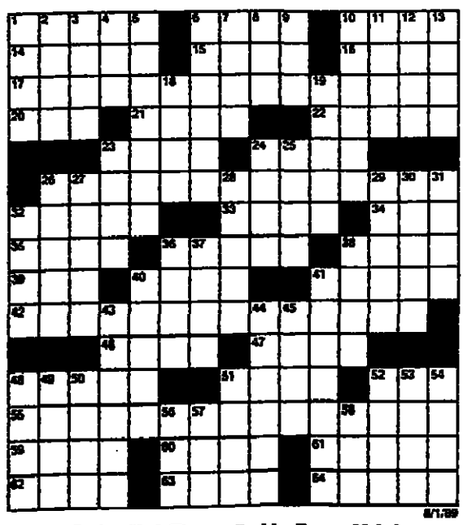

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ACROSS

1 Home of the Dolphins
6 Further a felony
10 Stag or colt
14 Prominent setter in Plymouth
15 Fowler on a pool
16 Continuous pentacle
17 Hamlet's weapon of "outrageous fortune"
20 Asian holiday
21 Ingenue, e.g.
22 One of the horde
23 Antietam Creek farm
24 Perry's naval enemy?
26 Tingly, prickly sensation
32 Yields, as land
33 Bank
34 Future lawmakers' words
36 "I cannot tell a ——"
36 Union general
38 Post
39 Sometime traffic sign
40 Ganges garb
41 Part of a Dante work
42 Fiercely or wholeheartedly
46 Turgenev's birthplace
47 Choice
48 A New Zealander
51 Dada, e.g.
52 U.S.N. man
55 The whole's small section
59 Fam. member
60 Lacerate
61 Croc's cousin
62 Fish dish
63 Little colonists
64 Lyre tuner at times

DOWN

1 Spar
2 "Winnie —— Pu"
3 Mine entrance
4 Chess pieces
5 Entry
6 Singer Frankie
7 Cause of harm
8 Terminate
9 Hyson or souchong
10 Damaged
11 Medicinal plant
12 Scene of some parties
13 Gaelic
18 Rail
19 Vexed
23 Dirk of yore
24 Site of Phillips University
25 M. Coty
26 Alexander's birthplace
27 Jargon
28 Sap
29 Tael
30 Works on galleys
31 Alone
32 One kind of register
36 Foal producer
37 Of an epoch
38 Leonine locks
40 Letter stroke
41 Retinue
43 Foolish ones, à la Rickles
44 Celtic priests
45 Agalite
48 Lien of a sort: Abbr.
49 Early Irish nobleman
50 Hyalite or geyserite
51 Penny
52 Whale
53 Ont. or Que.
54 Bugaboo
56 Refrain syllable
57 Parfait
58 —— masqué

Solution to Previous Puzzle

A	B	O	U	T		S	I	P	S		R	A	M	P
C	A	R	P	O		T	R	O	T		A	V	E	R
A	L	A	R	M		I	S	L	E		V	A	S	E
F	E	L	I	C	A	N		O	R	D	A	I	N	S
			G	A	I	T	S		E	A	G	L	E	S
B	I	G	H	T	S		A	F	O	R	E			
A	B	U	T		L	O	P	E		E	R	R	O	R
O	I	L		D	E	A	L	E	R	S		A	G	E
A	D	L	E	R		S	E	T	H		M	I	L	S
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O	R	I	O	L	E		S	U	D	A	N			
V	A	N	I	L	L	A		T	A	N	A	G	E	R
E	N	A	S		E	A	S	T		A	C	U	T	E
R	E	N	T		C	R	E	E		G	E	N	R	E
Y	E	S		T	E	A	R		E	O	S	E	L	

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Monday's NYSE Closing

Via The Associated Press

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
BristMy	43880	48⅝	48	48¼	
Squibb	24737	110¼	100	110⅝	
CdnPc g	23062	24	23⅜	23½	+ ⅛
Upjohn	21042	36	34⅝	35¼	+1⅛
AT&T	20966	40½	40¼	40⅝	+ ½
Varity	19272	2⅝	1⅝	2⅝	+ ¼
USX	18985	36⅜	34⅞	35½	−1⅛
K mart	16962	42	40⅝	41⅝	+1¼
SmtB ek	15436	43¾	42⅝	43¼	+ ⅞
Marion	13741	36	35⅝	35⅝	+ ⅛
IBM	13453	115¼	113⅝	115	+1⅜
Mead	13187	44⅝	40⅝	44	+3½
GenEl	12573	58½	57⅝	58½	+1
Amoco s	12344	46¾	45⅝	46⅜	+ ⅝
Ryder	11834	29¾	29	29¼	+ ¾

Market Sales

NYSE 4 p.m. volume	166,650,000
NYSE prev. cons. close	216,316,630
Amex 4 p.m. volume	11,610,000
Amex prev. cons. close	13,180,000
NASDAQ 4 p.m. volume	n.a.
NASDAQ prev. 4 p.m. volume	128,903,900
NYSE volume up	112,530,700
NYSE volume down	31,959,420
Amex volume up	4,596,430
Amex volume down	4,692,100
NASDAQ volume up	42,122,780
NASDAQ volume down	25,413,700

NYSE Index

	High	Low	Close	Ch'ge
Composite	192.41	190.44	192.41	+2.03
Industrials	230.47	228.09	230.47	+2.48
Transp.	187.85	186.87	187.85	+1.25
Utilities	93.66	92.67	93.66	+1.02
Finance	164.28	162.61	164.28	+1.87

AMEX Diary

	Close	Prev.
Advanced	287	281
Declined	276	296
Unchanged	280	258
Total Issues	843	835
New Highs	52	47
New Lows	18	9

NASDAQ Index

	Close	Ch'ge	Week Ago	Month Ago
Composite	453.84	+1.02	445.98	436.00
Industrials	441.05	+1.25	442.57	422.95
Finance	533.50	+1.38	525.30	512.80
Insurance	527.53	+2.84	511.80	502.37
Utilities	718.47	−0.43	695.34	695.31
Banks	472.80	+0.53	468.44	468.09
Transp.	451.30	−0.42	444.37	423.30

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
WangB	11900	6¼	5⅝	6⅛	− ⅛
BAT	9512	14⅝	14⅛	14⅛	− ⅜
FurVit	3140	3½	3⅛	3⅛	+ ⅛
TexAir	2769	16¼	15⅝	16⅛	− ½
Amdhl s	2620	14¾	14¼	14⅜	+ ⅜
WDigitl	2581	8⅝	8⅛	8⅛	− ¼
FruitL	2017	13⅛	12⅝	13	
A-otf2 sc	2005	15¼	14⅝	15¼	+ ¾
MaxmC	1991	5⅝	5⅛	5⅝	+ ⅜
APrucA	1708	17⅞	17½	17⅝	+ ⅛
IntTich	1590	7	6⅝	6⅞	+ ¼
FAusPr	1529	8⅛	8⅛	8⅛	+ ⅛
Diasonc	1436	3½	3⅛	3⅜	+ ⅛
CtzFst s	1407	14	14	14	
Arko sc	1384	22½	19⅛	22⅛	+2⅞

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	93.72	+0.30
Utilities	94.69	+0.40
Industrials	92.75	+0.21

NYSE Diary

	Close	Prev.
Advanced	1050	819
Declined	489	679
Unchanged	446	480
Total Issues	2085	1978
New Highs	260	204
New Lows	13	19

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
July 28	484,286	584,634	17,864
July 27	390,013	644,049	35,792
July 26	333,046	605,035	110,241
July 25	385,623	602,318	99,277
July 24	351,521	520,526	9,255

*Included in the sales figures

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2631.07	2668.25	2615.52	2660.66	+ 25.42
Trans	1274.54	1281.83	1263.16	1277.74	+ 8.54
Util	219.50	221.52	218.44	221.20	+ 1.38
Comp	1022.42	1033.64	1015.63	1030.80	+ 8.50

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	395.68	391.21	395.68	+4.27
Transp.	288.46	285.85	288.40	+2.38
Utilities	142.20	140.17	142.19	+1.79
Finance	33.26	32.80	33.26	+0.44
SP 500	346.08	342.02	346.08	+3.93
SP 100	321.44	317.57	321.44	+3.78

NASDAQ Diary

Not available at press time

AMEX Stock Index

High	Low	Close	Ch'ge
376.57	373.80	376.56	+2.85

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Wave of Optimism Boosts Dow

United Press International

NEW YORK — Stock prices closed sharply higher Monday in moderate trading on the New York Stock Exchange, boosted by futures-related buy programs and a strong belief among investors that the market's rally could continue as interest rates fall.

The Dow Jones industrial average, which slipped 0.19 of a point Friday but gained nearly 28 points overall last week, jumped 25.42 to close at 2,660.66, a post-collapse high.

The Dow, which has risen more than 220 points in July alone, is now within 62 points of its all-time closing high of 2,722.42, set Aug. 25, 1987.

Broader market averages, which posted their own all-time highs last week, continued to strengthen their position. The New York Stock Exchange composite index rose 2.03 to 192.41. Standard & Poor's 500-stock index rose 3.93 to 346.08. The price of an average share gained 40 cents.

Advances topped declines by a 2-1 ratio, but Big Board volume slowed to 166.65 million shares, compared with 180.61 million shares traded Friday.

"The market is acting very well considering its short-term overbought condition," said Alfred Goldman, market strategist with A.G. Edwards & Sons Inc. in St. Louis. "We have a ton of economic news this week which should cast more light on the 'soft landing' scenario."

The key U.S. economic report, the July unemployment data, is due Friday morning.

"The economic background for the market is very strong," Mr. Goldman said. "It is showing a lot of internal strength. Bonds are stronger and the prime-rate cut is spreading through the industry. In addition, the market is handling the sporadic profit taking very well."

Citibank, the largest U.S. bank, announced Monday it had cut its prime rate to 10.5 percent from 11 percent. Chase Manhattan cut its prime on July 10 and after the Citibank move several other banks joined in the reduction.

"The market has undergone corrections and slowdowns in a very positive fashion," Mr. Goldman said. "Merger mania remains one of the key factors. It makes the big players reluctant to sell and brings in others. In addition, the competition from fixed-income securities is steadily declining as rates fall."

Bristol-Myers was the most active issue, unchanged at 48¼. Squibb followed, unchanged at 110⅝. The two companies announced a merger agreement Thursday in which Bristol-Myers would acquire Squibb.

Canadian Pacific was the third-most active issue, up ⅛ to 23½.

AT&T was up ½ to 40⅝. IBM rose 1⅜ to 115.

Coca-Cola jumped 4½ to 68 on news that the investor Warren Buffett would seek to increase his stake in the company.

Among the other blue chips, General Electric was up 1 to 58½, Merck was off ¼ to 76, General Motors was up ¼ to 44⅝ and Eastman Kodak was off ¼ to 48¼.

Prices closed higher in moderate trading on the American Stock Exchange.

The American Exchange index rose 2.05 points to close at 376.56. Advances led declines by a slim margin, while volume declined to 11.61 million shares, compared with 13.18 million traded Friday.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

(Continued on next left-hand page)

INTERNATIONAL STOCK MARKETS

Amid the Mire of Politics, Tokyo Is Turning Bullish

By PATRICK L. SMITH
International Herald Tribune

TOKYO — It may seem an unlikely moment for a rebound, but the Tokyo stock market, after drifting for much of the past several months, appears set for a convincing takeoff for the first time this year, brokers and fund managers say.

Ironically, the first sign of renewed health in the market came a week ago, just as voters were handing the Liberal Democratic Party its worst postwar defeat at the polls and Prime Minister Sosuke Uno was announcing his intention to resign. In apparent response, the Nikkei average of 225 stocks rose 193.90 points.

The Nikkei has climbed roughly 1,000 points since then. On Monday it closed at 34,953.87, up 248.24 from Friday's close and a new high. Volume was about 500 million shares, down from last week's average but above the June doldrums.

Most of the LDP's troubles have been fully discounted.

Clearly, the market has now fully discounted the political uncertainty surrounding the governing party and Mr. Uno's yet-to-be-chosen successor. The only political unknown it is still not braced for, market analysts say, is an opposition victory in lower-house elections later this year or early in 1990; but that is still viewed as a remote possibility.

But many brokers and analysts believe the political factor has long been overrated in terms of its impact on the stock market. What has turned Tokyo shares, they say, are a number of positive developments with regard to the market's fundamentals.

Oil prices are dropping and the yen appears to be firming, both of which are reducing fears of "imported" inflation; wholesale prices softened last month for the first time since Japan's controversial new consumption tax took effect April 1.

The threat of inflation was real enough. Wholesale prices had been climbing steadily since February before a drop of one-tenth of 1 percent in the second 10 days of July. Now even consumer prices may start leveling, economists believe.

MARSHALL AUERBACK, investment manager at GT Management (Japan) Ltd., said, "The worst seems to be over as far as both political and economic uncertainties go." While there may yet be a general election, "political expectations of the Liberal Democrats are low anyway. And I think we're seeing the inflationary peak now."

The recent strength in the bond markets is also encouraging. The yield on the government's benchmark 111 bond has dropped from 5.6 percent two weeks ago to 5.09 percent at present.

Stock market gains have been impressive. Housing-related stocks have risen dramatically since the Construction Ministry proposed in mid-July that urban property classified as farm land — about 12 percent of Tokyo is classified this way — be taxed at the same rate as commercial, industrial and residential land.

The ministry predicted the change, scheduled to be introduced in the legislature this month, would free more than 600 million square meters (717 million square yards) in major cities by eliminating a longstanding incentive to hold unproductive land.

In response, the stock of Daiwa House has gained 25 percent since mid-July, ending Monday at 2,680 yen ($19.20). Sekisui House has risen 13 percent in the same period, to 2,280.

Trading houses, unexciting until recently, have also advanced, reflecting confidence in the strengthened yen, since their margins on imports are far higher than on exports, and lower interest rates, since they are highly geared. Nippon Telegraph & Telephone has also turned strong, but for special reasons (Page 11).

The emerging focus, clearly, is domestic growth. Retailing stocks such as supermarket chains are also advancing, brokers said, due to a recent ruling against two chains that attempted to block an outside takeover. The decision is viewed as a sign that Tokyo has moved a step closer to a market in which mergers and acquisitions will eventually become a driving factor.

Currency Rates

Cross Rates

July 31

	$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.1165	3.50	1.128	0.333	0.1568 *	—	5.386 *	1.31	1.5317 *
Brussels(a)	39.875	65.0025	20.9415	6.1635	2.9074 *	18.566	—	24.229	0.2843
Frankfurt	1.866	3.105	—	0.2953	0.139 *	0.8865	4.776 *	1.1611	1.358 *
London (b)	1.6665	—	3.1078	10.5148	2,235.00	3.5066	65.115	2.677	227.49
Milan	1,341.46	2,238.50	719.85	212.40	—	638.20	34.367	834.49	9.768
New York(c)	—	1.6650 b	1.865	6.3155	1,340.50	2.1035	39.05	1.6075	136.97
Paris	6.335	10.516	3.3863	—	0.4706 *	3.0025	0.1617	3.9332	4.601 *
Tokyo	136.80	226.25	74.11	21.89	0.1022	64.71	3.5423	84.09	—
Zurich	1.608	2.6740	0.8611	0.2543	0.1197 *	0.7642	4.1166 *	—	1.1748 *
1 ECU	1.1196	0.6606	2.0768	7.034	1,493.21	2.3425	43.4983	1.7882	152.817
1 SDR	1.2975	0.7726	2.4025	8.1385	1,731.00	2.7182	N.Q.	2.0709	178.124

Closings in London, Tokyo and Zurich, fixings in other centers. New York closing rates.
a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. austral	650.00	Fin. markka	4.2025	Mex. peso	2525.00	S. Afr. rand	2.646
Austral. $*	1.2889	Greek drac.	161.10	N. Zealand $	1.72	Soviet ruble*	0.6344
Austr. schil.	13.19	Hong Kong $*	7.8062	Nig. naira*	5.2995	Span. peseta	117.15
Brazil cruz.	2.126	Indian rupee*	16.4365	Norw. krone	6.8905	Swed. krona	6.416
Canadian $	1.1862	Indo. rupiah*	1774.00	Phil. peso*	21.8777	Taiwan $	25.53
Chinese yuan*	3.7221	Irish £	0.6998	Port. escudo	155.80	Thai baht	25.63
Danish krone	7.265	Israeli shek.	1.94	Saudi riyal	3.749	Turkish lira	2131.00
Egypt. pound	2.5227	Kuwaiti dinar	0.2924	Sing. $*	1.952	UAE dirham	3.6703
		Malay. ring.*	2.6430	S. Kor. won	639.62	Venez. boliv.	36.48

New York rates unless marked * (local rate).

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6578	1.6514	1.6443	Canadian dollar	1.1846	1.1879	1.1912
Japanese yen	136.80	136.49	136.12	Swiss franc	1.6029	1.6008	1.5989
Deutsche mark	1.8602	1.8583	1.8557				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Goskank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits

July 31

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8 13/16-8 15/16	6 13/16-6 15/16	7 1/16-7 3/16	13 13/16-13 15/16	8 7/8-9	5 1/16-5 3/16	9 1/8-9 1/4	8 1/4
2 months	8 7/8-8 3/4	6 7/8-6 7/8	7-7 1/8	13 13/16-13 15/16	8 7/8-9	5 1/16-5 3/16	9 1/8-9 1/4	8 1/4
3 months	8 11/16-8 13/16	6 7/8-6 7/8	6 7/8-7	13 13/16-13 15/16	8 7/8-9	5 1/16-5 3/16	9 1/8-9 1/4	8 1/4
6 months	8 5/8-8 3/4	6 7/8-6 7/8	6 3/4-6 7/8	13 5/8-13 3/4	8 7/8-9	5 1/16-5 3/16	9 1/8-9 1/4	8 1/8
1 year	8 1/2-8 5/8	6 7/8-6 7/8	6 11/16-6 13/16	13 1/4-13 3/8	8 7/8-9	5 1/16-5 3/16	9 1/8-9 1/4	8

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates July 31

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	10 1/2	10 1/2 /11
Federal funds	8 9/16	8 15/16
Com. paper 30-179 days	7.60	7.62
3-month Treasury bills	7.58	7.64
6-month Treasury bills	7.43	7.49
3-month CDs	8.15	8.25
6-month CDs	8.10	8.20
Japan		
Discount rate	3 1/4	3 1/4
Call money	5 [illegible]	5 1/8
1-month interbank	5 5/16	5 5/16
3-month interbank	n.q.	5 9/32
West Germany		
Discount rate	4 1/2	4 1/2
Lombard rate	7.00	7.00
Overnight rate	7.00	6.85
One month interbank	7.10	7.05
3-month interbank	7.50	7.30
6-month interbank	7.80	7.80
Britain		
Bank base rate	14.00	14.00
Call money	14.00	14.00
1-month interbank	13 7/8	13 7/8
3-month interbank	13 3/4	13 7/8
France		
Intervention rate	8 3/4	8 3/4
Call money	7 3/4	8 7/16
1-month interbank	8 3/4	8 13/16
3-month interbank	8 3/4	8 13/16
6-month interbank	8 3/4	8 13/16

Sources: Reuters, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Asian Dollar Deposits

July 31

1 month	8 3/4 - 8 7/8
2 months	8 3/4 - 8 7/8
3 months	8 3/4 - 8 3/4
6 months	8 5/8 - 8 3/4
1 year	8 1/4 - 8 3/4

Source: Reuters.

U.S. Money Market Funds

July 31

Merrill Lynch Ready Assets
30-day average yield: 8.95
Telerate Interest Rate Index: 8.270
Source: Merrill Lynch, Telerate.

Gold

July 31

	A.M.	P.M.	Ch'ge
Hong Kong	368.55	368.65	− 3.40
Luxembourg	368.65	—	− 3.60
Paris (12.5 kilo)	370.76	371.84	− 2.52
Zurich	368.50	368.50	− 1.65
London	369.10	368.30	− 1.40
New York	—	370.50	+ 3.00

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Chrysler Earnings Rise 6.6%

Minivans, Jeeps Lead to Gains

The Associated Press

DETROIT — Sales of minivans and Jeeps helped Chrysler Corp.'s second-quarter earnings climb 6.6 percent and sales rise 8.2 percent despite weakness in the auto market, the company said Monday.

The results contrasted with declines in second-quarter earnings reported last week by General Motors Corp. and Ford Motor Co.

But industry analysts have said the No. 3 U.S. automaker still has significant problems selling cars profitably.

Last week, the chairman of Chrysler, Lee A. Iacocca, moved to eliminate $1 billion in costs by the end of the year by deeply cutting the company's white-collar work force.

Chrysler said it earned $341 million, or $1.46 a share, for the three months that ended June 30, compared with $320 million, or $1.45 a share, in the second quarter of 1988.

The automaker said that sales for the quarter totaled $10.11 billion, up from $9.34 billion in 1988.

Mr. Iacocca said: "Although the market is soft right now, we believe Chrysler is in excellent position to fight for market share. Our minivans and Jeep vehicles are the best on the market."

Jeep Cherokee sales were up 19 percent compared with the second quarter last year.

In a sign of Chrysler's problems selling cars, Mr. Iacocca said that buyer incentive costs rose 20 percent in the second quarter over the same period a year ago.

The costs of incentives were cited in recent reports of a 3.4 percent decline in earnings at GM and a 15.4 percent drop at Ford.

Each of the automakers has spent hundreds of dollars per vehicle on incentives in the second quarter to try to boost sales.

For the first six months of the year, Chrysler had earnings of $692 million, or $2.96 a share, on sales of $20.06 billion, up from $504 million, or $2.27 a share, on sales of $17.90 billion in the first half of 1988.

U.S. steelmakers may be forced to make capital improvements sooner than they had planned.
Nancy Kaye/The New York Times

The Squeeze on U.S. Steel

Limited Quota Extension to Raise Investment Pressures

By Jonathan P. Hicks
New York Times Service

NEW YORK — The Bush administration's plan to extend import quotas for steel for two and a half years will create new pressures on the U.S. steel industry, forcing companies to make capital improvements in less time than they had planned, industry experts say.

In addition, many analysts say that the steelmakers, which had aggressively sought a five-year extension of the limits, will now more intensely pursue ventures with Japanese and other foreign steel producers to stretch their resources.

The analysts' predictions contradict the views of some industry executives, who have said that the proposed shorter period of quotas will not give them the time they need to make the operating improvements they had planned in expectation of a five-year extension.

"I'm sure there will now be a difference in most steelmakers' attitudes on capital spending," said Frank W. Luerssen, chairman of Inland Steel Industries Inc. and president of the American Iron and Steel Institute. "With just a two-and-a-half-year period covered, there is less inclination to invest after that."

Allegheny Ludlum Corp., which makes specialty steel products, has maintained that it would increase capital spending only if the limits were extended five years.

But the analysts maintain that producers will now find it more crucial to complete their modernization and refurbishing programs before the proposed limits expire in March 1992.

They say the expiration of those measures will bring renewed competition from foreign steelmakers who in many cases have spent large sums to modernize their operations.

Weirton Steel Corp., for example, recently decided to continue with a $650 million modernization program that will last five years.

John Jacobson of the AUS Group, an economic forecasting firm in Philadelphia, contends that the U.S. steel industry will face fierce international competition more quickly than it had anticipated and that the capital improvements will be necessary if U.S. producers are to stay in business for the long term.

"I doubt that the Bush administration's plan will have a substantial impact on capital-spending plans, other than to step them up," Mr. Jacobson said.

But the industry officials and analysts acknowledge that the high pace of establishing joint ventures will intensify as U.S. steel producers seek to share the costs of capital improvements with foreign producers.

A number of such ventures with Japanese companies have occurred in recent years, including the sale this year by Armco Inc., the fifth-largest steel producer in the United States, of a 40 percent stake in its steel-making division to Kawasaki Steel Corp.

Other recent venture agreements include one for a steel-slitting operation between National Steel Corp. and Marubeni Corp., signed in October; one for a cold-rolling mill between Inland Steel and Nippon Steel Corp., signed in 1987, and a deal for an electro-

See STEEL, Page 11

Wang Posts Loss Of $375 Million In 4th Quarter

Reuters

NEW YORK — Wang Laboratories Inc., the troubled U.S. minicomputer manufacturer, reported Monday a loss of $375 million in the fourth quarter of its financial year and said it has had to negotiate noncompliance waivers with its bank creditors.

The loss for the three months ended June 30, which compared with a profit of $13.4 million in the same period a year earlier, came after a $234 million pretax restructuring charge and a one-time tax provision of $30 million.

Wang said the restructuring charge caused its net worth to drop below levels required by revolving-credit agreements and that it received waivers of noncompliance from bank lenders through Aug. 10.

The company did not give a figure for net worth, but Jay Stevens, an analyst at Dean Witter Reynolds, said, "People don't like to see tangible net worth fall below a company's credit level."

Investors marked Wang's stock price 37.5 cents lower, to $5.875, at the close on the American Stock Exchange.

Mr. Stevens said investors might also be concerned that Wang has apparently not found a minority equity partner, despite pressure from its banks to do so. Fred Wang, president and son of the founder, An Wang, conceded recently that the company needs help.

The elder Mr. Wang has been ill recently and his son appears to have been struggling with the company in his absence.

Wang said in a statement that it is continuing to negotiate amendment and expansion of its revolving-credit accords and has engaged Lodestar Group and Salomon Brothers as financial advisors.

The company also said it had reduced its worldwide work force by more than 10 percent, to about 28,300 on June 30, and would not pay a dividend until its operating performance improves.

For the year to June 30, Wang had a loss of $424.3 million, or $2.59 a share, after a profit of $92.7 million, or 56 cents, the previous year.

The company said the restructuring would direct its operations toward vertical markets that take advantage of its imaging technologies. It expects to return to profitability in the current financial year through reduced expenses and new product introductions.

The company said it would consolidate global manufacturing by Sept. 30, including the intended sale of a plant in Scotland that employs about 240 people.

The fourth-quarter results were affected by weak U.S. demand, pressured margins for desktop products and the impact of a stronger dollar on international revenue.

Telecom to Buy McDonnell's Data Network

Reuters

ST. LOUIS — McDonnell Douglas Corp. announced on Monday a preliminary agreement to sell its Network Systems business, which includes the Tymnet public data network, to British Telecom for $355 million.

The company also is seeking a buyer for its North American Field Service business and has retained the Lodestar Group to assist in the sale.

McDonnell announced in June that it had agreed to sell its Telecheck business. Gains from the sale of the three units are expected to be substantial, the company said.

On July 20, McDonnell reported a sharp second-quarter setback, including a net loss of $48 million, due to weakness in aircraft sales. Moody's Investors Service lowered the long-term debt and commercial-paper ratings of the aerospace giant at about the same time.

West German Economy Is Building Up Steam

OECD Lifts GNP Forecast to 3.25%

By Richard E. Smith
International Herald Tribune

FRANKFURT — While the United States hovers toward a soft landing and economic growth projections are being steadily ratcheted downward, exactly the opposite is happening in West Germany.

The Organization for Economic Cooperation and Development, in a report for publication Tuesday, confirmed what the government in Bonn and a host of banks and think tanks have been saying with growing conviction in recent weeks: West Germany is stronger than anyone expected, thanks to robust world trade, a weak Deutsche mark and even to unusually cooperative winter weather.

Several U.S. banks lowered their prime rates half a percentage point. Page 13.

West Germany has often played the role of a locomotive for the European, and sometimes the world, economy. So its good fortune is of particular interest at a time of U.S. slowdown and when the Germans themselves seem more relaxed than usual about inflation and thus more willing to let their economy expand.

"Next year, West Germany could become the economic locomotive for the industrialized countries," wrote Peter Fertig, an economist with Dresdner Bank.

The OECD report projects a growth rate of 3.25 percent for West Germany this year, revising upward its forecasts of 3 percent given only two months ago and of only 1.75 percent given a year ago.

"The current expansion is now more than six years old and seems set to continue for at least two more years," said the organization. Nothing could be more convenient for Chancellor Helmut Kohl, who faces difficult national elections next year and whose coalition government was so shaky this spring that he had to engineer a major cabinet reshuffle.

Since the final stage of a major tax reform next year will give the country's consumers roughly 20 billion DM ($10.66 billion) to spend, both the much-discussed boom and the fortunes of Mr. Kohl's Christian Democrats could again be bolstered in 1990.

There are two major potential problems, however.

The most serious remains the difficulty in cutting back West Germany's soaring trade surpluses with the rest of the world, notably

See GERMANY, Page 13

El Corte Inglés Faces An Uncertain Future

By Richard Lorant
Special to the Herald Tribune

MADRID — The death of Ramón Areces Rodríguez, founder of the El Corte Inglés department-store chain, raises questions about continuity at Spain's largest retail concern and one of the country's major business success stories, analysts said Monday.

The son of peasants, Mr. Areces built El Corte Inglés into a holding company with sales last year of 552 billion pesetas ($4.69 billion) and almost 40,000 employees. When he died, childless, on Sunday, his shares in the company represented a personal fortune of more than 250 billion pesetas, according to estimates in the financial press.

But his exact stake was one of the most closely guarded secrets in Spain and prompted speculation on his possible heir and successors.

Despite keen interest by foreign companies in El Corte Inglés, most analysts said they believed the company would remain intact.

An El Corte Inglés official said shareholders would designate a new president at a planned board meeting in late August. The official, who asked not to be identified, said Mr. Areces had made plans for an orderly succession.

"We believe he left things well tied up," she said. "Decisions about his shares and the new board makeup will be taken at the meeting."

The official would not disclose the names of shareholders or the breakdown of their holdings, but the financial daily, La Gaceta de los Negocios, said that Mr. Areces and his family members owned 76 percent of the company.

The family controls another 7 percent of the shares through the Fundación Areces, a nonprofit educational and cultural foundation, the paper said.

According to several sources, Mr. Areces's heir apparent is his nephew, Isidoro Alvarez, 53, currently the company's managing director. Mr. Areces's two brothers,

See SPAIN, Page 11

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1	11	21	31	41	1	11	21	31	41	1	11	21	31	41	1	11	21	31	41	1	11	21	31	41	1	11	21	31	41
2	12	22	32	42	2	12	22	32	42	2	12	22	32	42	2	12	22	32	42	2	12	22	32	42	2	12	22	32	42
3	13	23	33	43	3	13	23	33	43	3	13	23	33	43	3	13	23	33	43	3	13	23	33	43	3	13	23	33	43
4	14	24	34	44	4	14	24	34	44	4	14	24	34	44	4	14	24	34	44	4	14	24	34	44	4	14	24	34	44
5	15	25	35	45	5	15	25	35	45	5	15	25	35	45	5	15	25	35	45	5	15	25	35	45	5	15	25	35	45
6	16	26	36	46	6	16	26	36	46	6	16	26	36	46	6	16	26	36	46	6	16	26	36	46	6	16	26	36	46
7	17	27	37	47	7	17	27	37	47	7	17	27	37	47	7	17	27	37	47	7	17	27	37	47	7	17	27	37	47
8	18	28	38	48	8	18	28	38	48	8	18	28	38	48	8	18	28	38	48	8	18	28	38	48	8	18	28	38	48
9	19	29	39	49	9	19	29	39	49	9	19	29	39	49	9	19	29	39	49	9	19	29	39	49	9	19	29	39	49

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Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

T

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

U-V

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

W

X-Y-Z

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

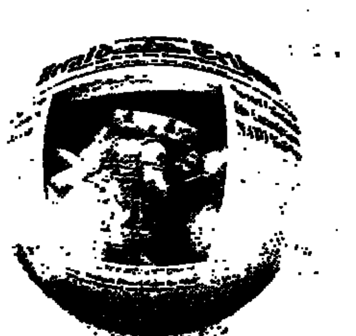
AMEX Highs-Lows

NEW HIGHS 52

[illegible]

NEW LOWS 18

[illegible]



The Global Newspaper.

U.S. Futures

Via The Associated Press

July 31

Grains

WHEAT (CBT)
5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
4.29	3.50½	Sep	3.86	3.87½	3.84	3.84½	—.03¼
4.40½	3.78	Dec	3.98½	4.00½	3.96	3.96¼	—.04¼
4.43	3.97¾	Mar	4.05	4.05	4.00¾	4.02	—.04
4.32	3.81	May	3.92½	3.93½	3.90	3.92¼	—.02¼
3.85	3.50½	Jul	3.62	3.63	3.59	3.62	—.02
3.62	3.62	Sep				3.64	—.02

Est. Sales Prev. Sales 10,223
Prev. Day Open Int. 66,681 off 67

CORN (CBT)
5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
3.17¾	2.27¾	Sep	2.22	2.25	2.22¼	2.22½	—.06½
2.95	2.25	Dec	2.22	2.22	2.19	2.20½	—.05¾
2.86½	2.31¼	Mar	2.26	2.29¾	2.26	2.28	—.04¾
2.89½	2.34¾	May	2.31	2.33¾	2.30	2.32¼	—.04¼
2.85	2.35¼	Jul	2.32	2.34¼	2.31	2.32¾	—.04½
2.71	2.30	Sep	2.29	2.29	2.29	2.29	—.03
2.63½	2.24¼	Dec	2.22	2.25¼	2.22	2.24½	—.02½

Est. Sales Prev. Sales 22,189
Prev. Day Open Int. 146,351 up 715

SOYBEANS (CBT)
5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
9.51	6.48	Aug	6.38	6.39	6.23½	6.24½	—.24½
8.35	6.03½	Sep	5.90	5.96	5.87½	5.88	—.16¼
7.93	5.87½	Nov	5.81	5.85	5.77	5.78¼	—.10¾
7.87	5.96	Jan	5.90	5.93½	5.86	5.86¼	—.09½
7.24	6.04	Mar	5.96	6.02½	5.95	5.96½	—.09¼
7.28	6.09½	May	6.02	6.08½	6.01½	6.01¾	—.08
7.31	6.13	Jul	6.05	6.10	6.02	6.02	—.12
7.05	6.13	Aug	6.01	6.01	5.95	5.95	—.09
6.60	6.30	Sep	5.91	5.91	5.91	5.91	—.07
6.60	5.80	Nov	5.81	5.87	5.81	5.83½	—.01½

Est. Sales Prev. Sales 39,882
Prev. Day Open Int. 83,576 up 148

SOYBEAN MEAL (CBT)
100 tons- dollars per ton

Season High	Season Low		Open	High	Low	Close	Chg.
298.00	195.80	Aug	204.50	204.50	199.80	200.10	—4.60
286.00	189.50	Sep	189.00	190.50	188.50	188.90	—4.80
280.00	184.00	Oct	181.00	183.50	180.00	182.20	—3.20
260.00	181.20	Dec	179.00	181.50	178.50	179.70	—2.90
238.00	181.50	Jan	180.00	181.00	179.00	179.40	—2.40
249.20	181.90	Mar	180.50	182.00	180.30	181.10	—1.40
230.50	182.00	May	182.00	182.00	181.10	181.30	—2.20
208.00	182.00	Jul	183.00	183.00	181.00	181.30	—.70
183.00	182.00	Aug	181.00	181.00	181.00	181.50	—1.50
182.50	182.50	Sep	181.00	181.00	181.00	180.50	—2.00

Est. Sales Prev. Sales 23,276
Prev. Day Open Int. 61,697 off 635

SOYBEAN OIL (CBT)
60,000 lbs- dollars per 100 lbs.

Season High	Season Low		Open	High	Low	Close	Chg.
32.05	18.28	Aug	18.35	18.20	17.87	17.87	—.45
29.50	18.53	Sep	18.35	18.45	18.10	18.14	—.41
28.80	18.75	Oct	18.60	18.70	18.35	18.36	—.44
28.05	19.10	Dec	18.95	19.06	18.69	18.72	—.47
25.45	19.35	Jan	19.10	19.20	18.91	18.91	—.44
25.85	19.75	Mar	19.60	19.65	19.35	19.35	—.45
26.05	20.05	May	19.95	19.95	19.65	19.65	—.40
25.80	20.20	Jul	20.20	20.20	19.90	19.95	—.25
22.90	20.30	Aug	20.12	20.12	19.95	19.95	—.35
21.70	20.40	Sep	20.10	20.10	19.90	19.90	—.50

Est. Sales Prev. Sales 33,272
Prev. Day Open Int.

Livestock

CATTLE (CME)
40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
73.80	65.00	Aug	72.55	72.85	72.25	72.40	+.03
74.30	66.30	Sep	74.10	74.45	74.00	74.00	+.25
74.10	68.20	Oct	75.20	76.00	75.20	75.52	+.20
75.10	62.00	Dec	73.75	74.15	73.67	73.95	+.33
73.65	69.80	Feb	72.45	72.75	72.42	72.57	+.20
74.75	70.80	Apr	73.40	73.75	73.35	73.60	+.23
73.25	69.75	Jun	72.20	72.30	72.20	72.25	+.25
71.75	69.50	Aug	70.62	70.62	70.50	70.50	+.30

Est. Sales 17,843 Prev. Sales 12,108
Prev. Day Open Int. 79,662 off 790

FEEDER CATTLE (CME)
44,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
84.35	75.65	Aug	83.15	83.80	83.10	83.50	+.43
83.80	75.50	Sep	82.65	83.30	82.65	83.15	+.60
83.60	75.90	Oct	82.75	83.40	82.70	83.10	+.50
83.95	76.60	Nov	83.05	83.70	83.05	83.42	+.62
83.75	77.30	Jan	82.67	83.25	82.65	83.25	+.58
82.72	77.40	Mar	81.50	81.90	81.50	81.80	+.30
82.10	78.90	Apr				81.50	+.30
80.70	78.75	May				80.45	+.45

Est. Sales 1,873 Prev. Sales 1,659
Prev. Day Open Int. 13,044 up 46

HOGS (CME)
30,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
51.00	43.25	Aug	46.10	46.15	45.85	45.97	—.08
47.00	38.55	Oct	39.75	40.00	39.55	39.82	+.10
47.25	38.75	Dec	41.50	41.55	41.10	41.42	—.05
48.00	41.77	Feb	42.45	42.45	42.05	42.22	—.13
45.10	39.70	Apr	40.10	40.10	39.77	39.90	—.05
48.70	44.90	Jun	44.85	44.85	44.75	44.80	—.15
48.95	45.37	Jul	45.25	45.40	45.05	45.45	—.05
45.40	44.55	Aug	44.40	44.40	44.35	44.35	—.20

Est. Sales 3,750 Prev. Sales 4,864
Prev. Day Open Int. 24,148 up 37

PORK BELLIES (CME)
40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
58.20	25.32	Aug	25.75	26.25	25.05	25.07	—.43
61.60	40.20	Feb	41.40	41.50	40.27	40.47	—.38
60.00	40.15	Mar	41.25	41.25	40.00	40.22	—.55
60.90	41.15	May	42.00	42.25	41.50	41.55	—.45
60.90	42.00	Jul	42.05	42.05	42.05	42.05	—.35
55.80	40.60	Aug	41.00	41.45	40.50	40.60	

Est. Sales 5,455 Prev. Sales 8,869
Prev. Day Open Int. 15,092 off 1,821

Food

COFFEE C (NYCSCE)
37,500 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
152.90	80.75	Sep	82.00	82.40	78.90	78.99	—3.03
149.50	83.00	Dec	84.20	84.20	81.30	81.72	—2.48
146.00	85.50	Mar	86.75	86.75	84.00	84.80	—2.53
124.50	88.00	May	88.50	88.50	85.70	85.94	—2.56
132.25	90.25	Jul	90.00	90.00	88.00	88.38	—2.12
120.00	92.75	Sep	91.00	91.00	91.00	90.00	—1.75
104.00	96.50	Dec				93.35	—1.08

Est. Sales 4,300 Prev. Sales 4,540
Prev. Day Open Int. 29,750 up 903

SUGAR WORLD 11 (NYCSCE)
112,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
14.79	8.45	Oct	14.70	14.70	14.28	14.65	—.02
13.30	8.00	Jan	13.00	13.00	13.00	13.10	+.02
13.85	8.75	Mar	13.60	13.61	13.40	13.58	—.12
13.60	9.20	May	13.38	13.39	13.18	13.32	—.06
13.48	10.55	Jul	13.18	13.12	12.95	13.12	+.12
13.19	10.40	Oct	12.95	12.95	12.95	12.94	—.10

Est. Sales Prev. Sales 34,149
Prev. Day Open Int. 186,432 off 78

COCOA (NYCSCE)
10 metric tons- $ per ton

Season High	Season Low		Open	High	Low	Close	Chg.
1850	1127	Sep	1289	1289	1265	1267	—23
1735	1133	Dec	1310	1312	1291	1294	—15
1535	1133	Mar	1322	1322	1299	1302	—16
1465	1138	May	1326	1326	1316	1316	—12
1380	1154	Jul				1330	—17
1400	1180	Sep				1349	—19
		Dec				1370	—18

Est. Sales 2,805 Prev. Sales 4,114
Prev. Day Open Int. 30,254 up 937

ORANGE JUICE (NYCE)
15,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
187.75	132.00	Sep	158.00	160.50	157.95	158.95	+.95
179.50	129.00	Nov	147.80	148.25	147.00	148.10	+.75
173.00	127.50	Jan	144.00	144.00	143.10	143.25	+.05
171.30	127.75	Mar	143.40	143.50	143.40	142.80	+.40
169.00	151.00	May				141.80	+.40
		Jul				141.05	+.40
160.00	160.00	Sep				141.05	+.40
		Nov				141.05	+.40

Est. Sales Prev. Sales 358
Prev. Day Open Int. 7,676 off 86

Metals

COPPER (COMEX)
25,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
116.55	110.20	Aug				111.70	+1.20
131.50	76.00	Sep	108.00	112.60	107.60	111.50	+2.10
		Oct				110.10	+1.90
126.00	77.45	Dec	104.50	108.00	104.00	107.70	+1.70

Est. Sales 7,100 Prev. Sales 6,296
Prev. Day Open Int. 21,724 up 461

ALUMINUM (COMEX)
40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
		Aug				81.00	—.50
104.00	76.50	Sep				81.00	+1.00
98.50	74.50	Dec	79.00	79.00	78.50	79.00	+1.00
82.50	82.50	Jan				78.50	+1.00
87.00	78.00	Mar				78.50	+1.00
		May				78.50	+1.00
95.50	95.50	Jul				78.50	+1.00
		Sep				78.50	+1.00
		Dec				78.50	+1.00
		Jan				78.50	+1.00
		Mar				78.50	+1.00
		May				78.50	+1.00

Est. Sales Prev. Sales
Prev. Day Open Int. 91

SILVER (COMEX)
5,000 troy oz.- cents per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
536.0	520.0	Aug	510.5	520.0	510.5	526.9	+13.2
861.0	5'3.5	Sep	518.0	532.0	512.5	531.3	+13.8
		Oct				535.2	+12.9
886.0	525.0	Dec	531.0	544.0	525.0	543.1	+12.8
815.0	535.0	Jan	530.0	530.0	530.0	546.1	+12.7
910.0	535.0	Mar	540.0	553.8	534.5	553.9	+12.6
910.0	545.5	May	550.0	559.0	543.0	561.2	+12.4
761.5	555.0	Jul	555.0	556.0	551.0	568.7	+12.2
760.0	573.5	Sep	565.0	565.0	565.0	576.3	+12.0
742.0	574.5	Dec				587.2	+12.0
688.0	596.0	Jan				590.8	+12.0
665.0	590.0	Mar	583.0	583.0	583.0	598.5	+12.0
608.0	608.0	May				606.4	+12.0

Est. Sales 20,000 Prev. Sales 21,320
Prev. Day Open Int. 86,092 up 2,977

PLATINUM (NYME)
50 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
609.00	475.20	Oct	496.00	503.00	494.50	502.70	+7.90
601.50	478.00	Jan	498.50	506.00	497.50	505.70	+7.90
557.50	490.00	Apr	504.00	504.00	504.00	508.90	+7.90
528.00	525.00	Oct				515.90	+7.90

Est. Sales Prev. Sales 5,739
Prev. Day Open Int. 17,702 up 311

PALLADIUM (NYME)
100 troy oz- dollars per oz

Season High	Season Low		Open	High	Low	Close	Chg.
180.00	116.00	Sep	144.50	144.75	141.75	143.35	—1.30
177.50	120.50	Dec	144.00	144.00	141.00	142.75	—1.15
176.00	123.00	Mar	140.00	142.00	140.00	141.75	—1.15
175.00	140.75	Jun	141.00	141.00	139.00	140.75	—1.15
149.50	141.00	Sep				139.75	—1.15

Est. Sales Prev. Sales 1,104
Prev. Day Open Int. 7,865 off 244

GOLD (COMEX)
100 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
575.00	360.50	Aug	366.70	371.00	367.50	370.50	+3.50
382.00	380.00	Sep	369.50	369.50	369.50	372.30	+3.30
575.50	365.00	Oct	373.00	375.00	372.00	374.70	+3.30
514.50	367.50	Dec	376.50	378.90	376.10	378.70	+3.30
516.00	374.50	Feb	380.30	383.30	380.30	382.60	+3.30
525.80	377.50	Apr	759.50	759.50	389.50	386.60	+3.30
497.00	381.00	Jun				390.60	+3.40
487.00	384.50	Aug				394.70	+3.40
472.00	391.00	Oct				398.70	+3.40
455.50	394.00	Dec	400.00	400.00	400.00	402.60	+3.40
450.00	397.50	Feb				406.70	+3.40
415.50	402.00	Apr	407.50	408.50	407.50	410.70	+3.50

Est. Sales 34,000 Prev. Sales 74,300
Prev. Day Open Int. 149,660 off 231

Financial

US T. BILLS (IMM)
$1 million- pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg.
93.13	90.41	Sep	93.01	93.01	92.91	92.93	—.02
93.45	90.50	Dec	93.51	93.52	93.43	93.44	+.04
93.60	90.75	Mar	93.58	93.58	93.58	93.56	
93.58	91.10	Jun	93.55	93.55	93.45	93.44	—.03
93.65	91.28	Sep				93.34	—.05

Est. Sales Prev. Sales 4,110
Prev. Day Open Int. 20,457 up 349

10 YR. TREASURY (CBT)
$100,000 prin- pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
101	89-13	Sep	100-30	101-8	100-28	101-7	+12
100-29	91-17	Dec	100-28	101-7	100-25	101-7	+14
99-30	95-17	Mar				101-2	+13

Est. Sales Prev. Sales 31,813
Prev. Day Open Int. 83,053 up 4,317

US TREASURY BONDS (CBT)
(8 pct-$100,000-pts & 32nds of 100 pct)

Season High	Season Low		Open	High	Low	Close	Chg.
99-7	72-26	Sep	99-2	99-27	99-1	99-24	+24
99	72-18	Dec	98-27	99-21	98-27	99-18	+24
98-20	72-1	Mar	98-17	99-9	98-17	99-7	+24
98-8	75	Jun	98-12	98-29	98-12	98-28	+24
97-29	79-1	Sep	98	98-19	98	98-17	+24
97-18	80	Dec	97-22	98-8	97-22	98-6	+24
97-8	79-21	Mar	97-16	97-30	97-16	97-28	+24
96-10	82-18	Jun				97-20	+24
96-1	86-4	Sep				97-10	+25
96-1	88-18	Dec				97	+24
		Mar	96-20	96-22	96-20	96-20	

Est. Sales Prev. Sales 348,088
Prev. Day Open Int. 356,589 up 21,155

MUNICIPAL BONDS (CBT)
$1000x index-pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
95-13	78-6	Sep	95-14	95-15	95-4	95-14	+5
95	87-10	Dec	94-31	95-6	94-26	95-5	+8
94-16	85-19	Mar	94-15	94-27	94-15	94-26	+11
94-3	87-2	Jun	94-7	94-16	94-5	94-14	+14
93-22	91-15	Sep	93-22	94-6	93-22	94-6	+16

Est. Sales Prev. Sales 4,167
Prev. Day Open Int. 18,008 up 539

EURODOLLARS (IMM)
$1 million- pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg.
91.92	88.70	Sep	91.80	91.82	91.74	91.79	+.04
92.15	88.84	Dec	92.21	92.24	92.17	92.21	+.07
92.34	88.90	Mar	92.35	92.36	92.30	92.33	+.05
92.30	88.82	Jun	92.29	92.29	92.20	92.24	+.02
92.18	88.74	Sep	92.15	92.17	92.07	92.12	+.01
91.97	89.85	Dec	91.95	91.96	91.84	91.91	
91.87	89.56	Mar	91.88	91.89	91.76	91.85	
91.78	89.91	Jun	91.82	91.83	91.72	91.77	
91.74	90.04	Sep	91.79	91.82	91.70	91.74	+.01
91.65	90.04	Dec	91.70	91.72	91.62	91.66	+.02
91.67	90.09	Mar	91.73	91.74	91.65	91.69	+.02
91.67	91.19	Jun	91.71	91.73	91.64	91.68	+.02
91.60	91.02	Sep	91.60	91.60	91.60	91.62	+.02
91.51	91.04	Mar	91.58	91.58	91.53	91.56	+.02

Est. Sales Prev. Sales 163,396
Prev. Day Open Int. 711,166 up 60

BRITISH POUND (IMM)
$ per pound- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
1.7754	1.4730	Sep	1.6532	1.6570	1.6482	1.6540	+116
1.7400	1.4950	Dec	1.6372	1.6350	1.6284	1.6332	+108
1.6130	1.4600	Mar	1.6160	1.6160	1.6110	1.6146	+102
1.6750	1.4400	Jun				1.5986	+102

Est. Sales Prev. Sales 9,213
Prev. Day Open Int. 27,584 up 1,151

CANADIAN DOLLAR (IMM)
$ per dlr- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.8420	.7948	Sep	.8425	.8434	.8421	.8428	+13
.8370	.7920	Dec	.8363	.8367	.8355	.8363	+12
.8310	.7890	Mar	.8302	.8310	.8302	.8306	+11
.8290	.8088	Jun	.8240	.8240	.8240	.8254	+10
.8165	.8107	Sep				.8205	+9

Est. Sales Prev. Sales 4,444
Prev. Day Open Int. 27,725 up 385

FRENCH FRANC (IMM)
$ per franc- 1 point equals $0.00001

Season High	Season Low		Open	High	Low	Close	Chg.
.16050	.14540	Sep	.15850	.15850	.15850	.15850	+150
.16105	.14540	Dec				.15830	+145

Est. Sales Prev. Sales
Prev. Day Open Int.

GERMAN MARK (IMM)
$ per mark- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.5977	.4910	Sep	.5370	.5390	.5365	.5378	+45
.5805	.4925	Dec	.5392	.5410	.5375	.5398	+43
.5443	.5000	Mar				.5417	+42

Est. Sales Prev. Sales 23,376
Prev. Day Open Int. 45,211 off 3,162

JAPANESE YEN (IMM)
$ per yen- 1 point equals $0.000001

Season High	Season Low		Open	High	Low	Close	Chg.
.008580	.006652	Sep	.007322	.007370	.007314	.007348	+128
.008650	.006705	Dec	.007380	.007420	.007370	.007401	+128
.008338	.006780	Mar	.007435	.007450	.007430	.007451	+128
.007530	.007170	Jun				.007503	+128

Est. Sales Prev. Sales 28,383
Prev. Day Open Int. 54,513 off 522

SWISS FRANC (IMM)
$ per franc- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.7210	.5590	Sep	.6238	.6252	.6218	.6242	+41
.6275	.6045	Dec	.6257	.6275	.6240	.6265	+42
.6290	.5740	Mar	.6285	.6285	.6285	.6284	+43

Est. Sales Prev. Sales 17,322
Prev. Day Open Int. 38,658 off 472

Industrials

LUMBER (CME)
150,000 bd. ft.- $ per 1,000 bd. ft.

Season High	Season Low		Open	High	Low	Close	Chg.
194.70	175.10	Sep	189.20	190.50	188.80	189.90	+.40
190.40	176.30	Nov	185.60	186.80	185.20	186.30	+.30
192.00	181.20	Jan	189.10	190.10	188.50	189.40	+.30
193.90	185.00	Mar	191.60	192.20	191.00	192.20	—.40
196.70	188.00	May	194.00	194.00	194.00	195.20	—.30
197.60	177.50	Jul	196.50	196.50	196.50	196.90	—.30

Est. Sales 659 Prev. Sales 637
Prev. Day Open Int. 8,518 off 75

COTTON 2 (NYCE)
50,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
75.65	50.35	Oct	74.80	75.70	74.80	75.43	+.70
76.75	50.75	Dec	75.93	76.70	75.93	76.27	+.59
77.25	53.60	Mar	76.80	77.25	76.76	76.83	+.33
77.45	55.90	May	76.70	77.30	76.70	76.75	+.27
77.40	63.70	Jul	76.80	77.30	76.80	76.91	+.36
71.00	63.95	Oct	69.20	69.20	68.75	68.75	+.17
69.20	66.35	Dec	67.00	67.10	66.50	66.55	—.45

Est. Sales Prev. Sales 3,336
Prev. Day Open Int. 42,718 off 296

HEATING OIL (NYME)
42,000 gal- cents per gal

Season High	Season Low		Open	High	Low	Close	Chg.
54.00	35.45	Aug	48.50	49.00	48.30	48.40	+.17
54.50	36.25	Sep	49.00	49.75	48.50	49.35	+.53
54.90	37.20	Oct	50.20	50.40	49.20	50.00	+.47
55.50	38.00	Nov	50.00	51.05	50.00	50.50	+.25
56.05	39.00	Dec	50.80	51.80	50.80	51.30	+.30
54.50	44.40	Jan	51.10	51.95	51.05	51.40	+.45
53.50	48.00	Feb	50.60	51.60	50.55	51.60	+1.25
51.35	46.40	Mar	48.50	49.30	48.40	48.40	—.10
49.76	45.00	Apr	47.19	47.85	47.00	47.85	+1.20
48.00	44.50	May	46.05	46.05	46.05	46.05	+.40

Est. Sales Prev. Sales 64,390
Prev. Day Open Int.

CRUDE OIL (NYME)
1,000 bbl.- dollars per bbl.

Season High	Season Low		Open	High	Low	Close	Chg.
20.12	12.68	Sep	18.08	18.52	17.96	18.30	+.37
19.50	12.75	Oct	18.01	18.39	17.94	18.20	+.31
19.23	15.00	Nov	17.99	18.28	17.95	18.14	+.24
19.05	12.87	Dec	17.97	18.27	17.91	18.14	+.23
18.93	15.67	Jan	17.92	18.17	17.92	18.02	+.15
18.84	15.74	Feb	17.95	18.10	17.90	18.07	+.22
18.80	16.10	Mar	17.90	18.10	17.90	17.98	+.15
18.71	16.30	Apr	17.95	18.10	17.90	18.08	+.26
18.70	16.20	May	17.87	17.95	17.87	17.90	+.08
18.63	16.50	Jun	17.95	17.95	17.95	17.95	+.13
18.54	16.60	Jul	17.92	17.92	17.92	17.92	+.10
18.54	16.39	Aug	17.97	17.97	17.97	17.97	+.15
18.48	16.50	Sep	18.00	18.05	18.00	18.05	+.23

Est. Sales Prev. Sales 198,717
Prev. Day Open Int.

Stock Indexes

SP COMP. INDEX (CME)
points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
345.75	271.50	Sep	344.30	348.55	343.95	348.30	+4.00
349.60	298.90	Dec	348.05	352.45	348.00	352.25	+3.95
353.00	325.80	Mar	352.30	352.30	352.00	356.20	+3.90
356.30	334.50	Jun	355.80	355.80	355.80	360.00	+3.90

Est. Sales Prev. Sales 31,567
Prev. Day Open Int. 122,550 up 1,979

VALUE LINE (KCBT)
points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
299.50	246.50	Sep	298.40	300.20	298.10	300.15	+2.05
299.80	271.00	Dec				304.25	+2.05
302.00	292.80	Mar				308.25	+2.05

Est. Sales Prev. Sales 161
Prev. Day Open Int. 1,724 up 23

NYSE COMP. INDEX (NYFE)
points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
192.35	153.00	Sep	191.45	194.00	191.45	193.90	+2.25
194.50	161.10	Dec	193.65	196.15	193.60	196.10	+2.25
196.10	170.20	Mar	195.75	196.50	195.75	198.25	+2.30
198.25	188.00	Jun				200.40	+2.35

Est. Sales Prev. Sales 4,247
Prev. Day Open Int. 6,333 up 29

Commodity Indexes

	Close	Previous
Moody's	1,112.70 f	1,113.70 f
Reuters	1,898.80	1,911.80
D.J. Futures	128.12	127.93
Com. Research	221.15	222.33

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

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Currency Options

PHILADELPHIA EXCHANGE *July 31*

Option & Underlying	Strike Price	Calls—Last Aug	Sep	Dec	Puts—Last Aug	Sep	Dec
[illegible]							

Total call vol. 29,583 Call open int. 353,366
Total put vol. 15,864 Put open int. 398,776
r—Not traded. s—No option offered.
Last is premium (purchase price).

Source: AP.

Floating-Rate Notes

July 31

Dollars

Issuer/Mat.	Coupon	Next	Bid	Askd
[illegible]				

Deutsche Marks

Issuer/Mat.	Coupon	Next	Bid	Askd
[illegible]				

Pounds Sterling

Issuer/Mat.	Coupon	Next	Bid	Askd
[illegible]				

Japanese Yen

Issuer/Mat.	Coupon	Next	Bid	Askd
Cnt 97 Yen	-		100.00	100.58
Cr Foncier Aug97 Yen	4⅝	30-08	100.10	100.60

E.C.U.

Issuer/Mat.	Coupon	Next	Bid	Askd
[illegible]				

Source : Credit Suisse-First Boston Ltd., London

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Paris Commodities

July 31

SUGAR
French francs per metric ton

	High	Low	Close Bid	Ask	Ch'ge
Oct	2,495	2,460	2,460	2,465	—20
Dec	2,410	2,400	2,400	2,410	—30
Mar	2,345	2,325	2,311	2,325	—27
May	2,325	N.T.	2,290	2,310	—30
Aug	N.T.	N.T.	2,270	2,300	—35
Oct	N.T.	N.T.	2,250	2,290	—25

Est. vol: 756 lots of 50 tons. Prev. actual sales: 908 lots. Open interest: 14,578.

COCOA
French francs per 100 kg

	High	Low	Close Bid	Ask	Ch'ge
Jly	N.T.	N.T.	870	—	Exp.
Sep	N.T.	N.T.	875	—	Unch.
Dec	N.T.	N.T.	920	—	Unch.
Mar	N.T.	N.T.	920	—	Unch.
May	N.T.	N.T.	920	—	Unch.
Jly	N.T.	N.T.	920	—	Unch.
Sep	N.T.	N.T.	920	—	Unch.

Est. vol: 0 lots of 10 tons. Prev. actual sales: 0 lots. Open position: 4.

COFFEE
French francs per 100 kg

	High	Low	Close Bid	Ask	Ch'ge
Sep	N.T.	N.T.	780	805	+ 8
Nov	800	800	797	810	— 5
Jan	N.T.	N.T.	805	830	+ 5
Mar	N.T.	N.T.	810	835	+ 2
May	N.T.	N.T.	815	—	Unch.
Jly	N.T.	N.T.	820	—	Unch.

Est. vol: 2 lots of 5 tons. Prev. actual sales: 5 lots. Open position : 149.
Source: Bourse de Commerce.

London Commodities

July 31

SUGAR
U.S. Dollars per metric ton

	Close Bid	Ask	High	Low	Previous Bid	Ask
Aug	N.T.	N.T.	324.00	322.00	320.00	322.60
Oct	322.00	322.20	327.60	318.60	324.00	324.60
Dec	304.00	311.00	312.40	306.00	307.00	312.40
Mar	301.40	301.60	305.40	298.40	302.60	303.00
May	296.20	296.60	300.00	295.00	297.20	298.00
Aug	286.00	288.00	288.00	286.00	285.00	291.00
Oct	285.00	286.00	N.T.	N.T.	284.00	287.00

Volume: 4,611 lots of 50 tons.

COCOA
Sterling per metric ton

	Close Bid	Ask	High	Low	Previous Bid	Ask
Jul	N.T.	N.T.	835	832	840	845
Sep	843	845	848	842	849	849
Dec	897	898	901	896	903	905
Mar	875	876	878	872	882	883
May	885	887	888	884	890	893
Jul	900	903	900	900	904	907
Sep	913	917	917	914	918	922

Volume: 1,488 lots of 10 tons.

GASOIL
U.S. dollars per metric ton

	Close Bid	Ask	High	Low	Previous Bid	Ask
Aug	147.00	147.25	147.25	145.50	146.75	147.00
Sep	146.00	146.25	146.25	144.75	146.25	146.50
Oct	146.75	147.00	147.50	146.00	147.75	148.00
Nov	148.00	148.25	149.00	147.00	148.75	149.25
Dec	148.75	149.50	149.50	148.00	149.75	150.25
Jan	144.50	147.00	N.T.	N.T.	147.50	148.25
Feb	140.00	148.00	N.T.	144.00	146.25	
Mar	140.00	148.00	N.T.	N.T.	142.50	144.25
Apr	140.00	148.00	N.T.	N.T.	144.00	148.00

Volume: 5,369 lots of 100 tons.
Sources: Reuters and London Petroleum Exchange.

London Metals

July 31

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1785.00	1787.00	1746.00	1751.00
Forward	1780.00	1782.00	1735.00	1738.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1545.00	1547.00	1542.00	1542.00
Forward	1529.00	1530.00	1543.00	1544.00
LEAD Sterling per metric ton				
Spot	416.00	418.00	423.00	423.50
Forward	407.00	408.00	412.50	413.00
NICKEL Dollars per metric ton				
Spot	13025	13125	12800	12900
Forward	12225	12250	11925	11975
TIN Dollars per metric ton				
Spot	9565.00	9585.00	9540.00	9570.00
Forward	9550.00	9565.00	9540.00	9560.00
ZINC (High Grade) Dollars per metric ton				
Spot	1605.00	1610.00	1590.00	1600.00
Forward	1542.00	1545.00	1530.00	1535.00

Source: AP.

U.S. Treasuries

July 31

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	7.78	7.80	8.07	8.13
6-month bill	7.44	7.46	7.85	7.91
1-year bill	7.12	7.14	7.66	7.68
	Bid	Offer	Yield	Prev. Yield
30-yr. bond	110 25/32	110 27/32	7.92	7.99

Source: Salomon Brothers.

S&P 100 Index Options

July 31

Strike Price	Calls-Last Aug	Sep	Oct	Nov	Puts-Last Aug	Sep	Oct	Nov
[illegible]								

Calls: total volume 94,750; total open int. 330,427
Puts: total volume 108,744; total open int. 418,899
S&P 100 index:
High 321.44 low 317.52 close 321.44 +3.76
Source: CBOE.

Dividends

July 31

Company	Per	Amt	Pay	Rec
INCREASED				
Indiana Energy	Q	.32	9-1	8-11
LIQUIDATION				
Real American Co	-	.40	8-20	8-10
SPECIAL				
Waterhouse Invest	-	.12	9-22	8-31
STOCK SPLIT				
Zero Corp — 5-for-4				
USUAL				
Amer Natl Insur	Q	.35	8-21	8-15
Bando McGlocklin	Q	.17	8-15	8-5
Boulevard Bancorp	Q	.12	9-15	8-25
Broad Inc	Q	.02½	8-10	8-7
Broad Inc cl-B	Q	.02¼	8-10	8-7
Cameron Iron Wrks	Q	.01	9-15	9-1
Commrc Bncrp NJ	Q	.22½	8-11	7-31
Eagle Bancorp	Q	.07	8-17	7-28
Harland (John H)	Q	.17	9-1	8-18
Health-Motor Inc	Q	.17	10-11	9-22
Integra Finci Corp	Q	.29	9-1	8-15
Lawter Intl	Q	.13	9-1	8-14
McDonnell Douglas	Q	.70½	10-2	9-1
Middlesex Water Co	Q	.44½	9-1	8-15
PHM Corp	Q	.03	10-2	9-15
Ply-Gem Indus	Q	.03	9-8	8-18
Premier Finci Svcs	Q	.05	8-31	8-15
Progressive Corp	Q	.11	9-30	9-8
Raychem Corp	Q	.08	9-6	8-9
Royal Intl Optical	Q	.05	10-15	9-28
Wesco Finci	Q	.19½	9-6	8-11

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

Spot Commodities

July 31

Commodity	Today	Prev.
Aluminum, lb	0.87	0.815
Coffee, lb	0.79	0.85
Copper electrolytic, lb	1.247	1.2625
Iron FOB, ton	213.00	213.00
Lead, lb	0.405	0.405
Printcloth, yd	0.50	0.50
Silver, troy oz	5.275	5.145
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	112.17	110.00
Tin, lb	5.5774	5.4446
Zinc, lb	0.80	0.80

Source: AP.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

July 31

Strike Price	Calls-Settle Aug	Sep	Dec	Puts-Settle Aug	Sep	Dec
52	1.80	1.97	2.54	0.02	0.20	0.62
53	0.87	1.23	1.90	0.09	0.45	0.96
54	0.23	0.66	1.38	0.43	0.88	1.40
55	0.05	0.32	0.97	—	1.53	1.96
56	0.01	0.14	0.66	—	2.32	2.62
57	0.01	0.06	0.44	—	3.24	3.38

Est. total vol.: 9,786;
Calls: Fri. volume: 5,268; open int.: 82,233;
Puts: Fri. volume: 4,656; open int.: 85,075;
Source: CME.

Maxwell Discloses 15.7% Profit Rise

Reuters

LONDON — Robert Maxwell said Monday that his publishing empire's pretax profits rose 15.7 percent last year, while new acquisitions built it into one of the world's top 10 media companies.

Maxwell Communication Corp.'s profit increased to £192 million ($315 million) in the 15 months until the end of March, from £166 million in 1987. The 15-month period was created to take account of the major changes in the structure of the corporation in 1988.

"With the disposal of our major U.K. printing businesses, the group's assets, revenues and profits have shifted decisively to North America," Mr. Maxwell said.

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INCOMPARABLE BARBS FROM AMERICA'S FOREMOST HUMORIST

BUSINESS ROUNDUP

Dresdner Bank Boosts Profit 22%

Compiled by Our Staff From Dispatches

STUTTGART — Dresdner Bank AG reported Monday a 22 percent increase in group earnings from customer transactions, to 878.1 million Deutsche marks ($467.8 million), in the first half of the year.

The result, compared with a consolidated partial operating profit of 719.7 million DM in the first six months of 1988, came despite a slight rise in group business volume, to 239.1 billion DM from 234 billion.

Earnings were boosted by a 29 percent increase in group commission surplus, to 873.6 million DM from 675.7 million. "Positive double-digit growth was achieved in all sectors of the commission business," Dresdner said in a statement.

West Germany's second-largest bank, in common with reporting practice, did not provide total operating results. But Wolfgang Roeller, chairman of Dresdner's supervisory board, said that profit including transactions on the bank's own account "progressed sharply." He also said that parent-company operating profit rose by more than 10 percent.

Thorough cost controls also underlay the profit increase, Mr. Roeller said, noting that group operating costs had risen by 2.9 percent in the first six months, which he said was "exceptionally low."

Encouraged by the results, investors marked Dresdner stock 4.50 DM higher on the Frankfurt exchange, to 369.50 DM at the close. The news reaffirmed the market's hopes that Deutsche Bank, the country's biggest, would report an even sharper rise when its results are released Thursday.

Mr. Roeller said the bank expected "a satisfactory result" for the whole year.

Dresdner said its own-account trading rose strongly, which buoyed total operating profit. However, net interest earnings were nearly flat at 2.07 billion DM in the first half, after 2.02 billion in the first six months of 1988.

West German share analysts said Dresdner's commission earnings rose more strongly than those of other banks that have already reported half-year results.

One analyst noted that Dresdner reported relatively low commission earnings last year, so that on a comparative basis these earnings rose sharply. But analysts said Dresdner had also increased its commission business volume. "Dresdner also managed to increase its share of the business," said Hans-Peter Wodniok at the James Capel brokerage firm in Frankfurt.

Mr. Roeller said at a news conference he would not rule out an increase in Dresdner's dividend in the future, but added, "I will not fix any time frame for such action."

He also said there are other ways to compensate shareholders for strong earnings, noting that in the past Dresdner has also paid out bonus shares. The bank has paid a 10 DM dividend since 1985.

(Reuters, AFP)

Buffett Seeks to Raise Coca-Cola Stake to 15%

Reuters

WASHINGTON — Warren E. Buffett said Monday that his Berkshire Hathaway Inc. investment company would seek government approval to buy up to 15 percent of Coca-Cola Co.'s voting shares.

Mr. Buffett said that he holds 6.75 percent of the soft-drink company's common stock. In response, Coca-Cola shares rose $1.125 to $64.625 by midday Monday.

Montedison Seeking Full Stake in Units

Reuters

NEW YORK — Montedison SpA on Monday proposed to buy all the publicly held shares of two chemicals firms, Himont Inc. of the United States and Erbamont NV of the Netherlands, for over $1 billion in cash and securities.

The Italian chemicals maker said it would pay $47 in cash and $2 worth of warrants for each share of Himont it does not already hold. Montedison owns about 81 percent of Himont's 64.7 million shares outstanding.

It also proposed to pay $35 in cash and $2 worth of securities for outstanding shares of Erbamont. It holds 72 percent of the unit's 44.3 million shares.

Himont makes polypropylene, while Erbamont makes cancer-treatment drugs.

Montedison's chairman, Raul Gardini, has been moving to restructure the company's holdings since he took control in 1987.

SPAIN: *After Areces, Questions*

(Continued from first finance page)

Luis and Celestino, are board members and stockholders. Nonfamily board members own about 15 percent of the stock.

The company's most recently published annual report, for 1987, said combined sales from 18 department stores, 6 hypermarkets, a travel agency, an insurance company, a computer distributorship and a clothing manufacturer reached 492.3 billion pesetas.

Analysts say total sales could top 600 million pesetas this year. However, since the company is not publicly traded, disclosure requirements are minimal.

Despite a lifelong aversion to credit — Mr. Areces once said he had never borrowed a peseta — El Corte Inglés's own equity now makes up just over half of its assets, according to unaudited statements on results offered by the company.

The company has always funneled much of its profit back into the business. Its cash-flow margin for the year ended in February 1988 was 14 percent, when profit amounted to 4.29 percent of sales.

Editorials in Spain lauded Mr. Areces for his marketing innovations, noting that he converted El Corte Inglés into a symbol of middle-class upward mobility. He also introduced one of the first department-store credit cards in Spain

Among his possible heirs are Alicia and Ester Koplowitz, the principal shareholders of the Construcciones y Contratas construction group, known as ConyCon. Mr. Areces took over the stewardship of ConyCon after the company's founder, the women's father Ernesto, died in the 1960s.

Siemens Net Climbs 13%

MUNICH — Siemens AG said Monday that group net profit for the first nine months of the business year rose 12.5 percent over the similar period a year earlier.

The increase was boosted was strong growth in sales and orders and a robust West Germany economy.

Group net for the electronics giant climbed to 1.09 billion Deutsche marks ($580 million), compared with 969 million DM a year earlier, the company reported.

Group sales rose 10.8 percent to 44.0 billion DM, compared with 39.7 billion DM in the similar period a year ago.

The company said that group sales for the business year were expected to be only slightly above its year-earlier level of 59.4 billion DM because only one nuclear power plant contract would be completed. Sales data last year included two nuclear power plants.

Siemens said that the power plant division, the data and information systems division and the energy and automation technology division had all received large orders in the first nine months of the year.

An order from the Spanish railway company, Renfe, included equipment for 75 locomotives, the statement said. The value of the transaction was not disclosed, however.

Midi, Generali Plan Venture

Reuters

TRIESTE, Italy — Italy's Assicurazioni Generali SpA said Monday it had signed a collaboration accord with the French insurance group Axa-Midi, and the two plan to form a joint venture to make acquisitions in the insurance sector.

In addition, the groups intend to reach agreement by the end of the year on Generali's shareholding in Compagnie du Midi. Axa-Midi was formed through the merger last year of Groupe Axa and Midi.

Earlier this month a Bank of France committee gave Generali until August 1990 to decide whether to boost its current 17 percent stake in Midi above 20 percent.

Colonia Stock Soars on Link With Victoire

Reuters

COLOGNE — Colonia Versicherung AG shares surged 301 Deutsche marks ($160.40) to 1,100 DM on Monday, the first day of trading after it disclosed plans for a linkup with the French insurer Groupe Victoire.

The planned combination of Colonia and Victoire, unveiled Thursday, extends the string of cross-border combinations in the European insurance business.

Together, the firms will have gross premium income of about 15 billion DM, making their combined entity the fifth-largest insurance group in Europe, a Colonia spokesman said.

Industry analysts said Colonia stands to reap long-term benefits from the deal.

"From Colonia's point of view it makes sense," said Elaine Redler, an analyst with Smith New Court Securities in London. "They had limited growth possibility in Germany since they already had a large market share in the areas where they are active. They had to go outside West Germany in order to grow."

Victoire has said it will set up a joint holding company with the West German bank Bankhaus Sal. Oppenheim Jr., which owns 50.5 percent of Colonia's shares. About two-thirds of Colonia's shares are held by banks and other institutions, while the remaining one-third is widely held.

Victoire said it will own about 70 percent of the new Netherlands-based holding company, with Oppenheim controlling the rest.

Financial details of the deal have not been disclosed.

"Short term it is difficult to see any synergic effects from combining the two companies, but long term it makes a lot of sense," said Georg Klein-Siebenbuergen, analyst with Bank in Liechtenstein GmbH in Frankfurt.

"The competition is going to increase and insurance companies must prepare for market liberalization," he said.

Cross-border mergers in the European insurance market are taking place before the removal of barriers protecting domestic insurance companies.

Analysts said both Colonia and Oppenheim will benefit from the agreement with Victoire. "It is a good fit for both companies," Ms. Redler said. "Colonia wanted more capital to expand but Oppenheim didn't want to put up more."

Colonia's 1988 group premium income rose to 4 billion DM from 3.8 billion DM the previous year. Parent net income rose to 41 million DM from 22.8 million DM.

NTT Stock Soars on Hopes of Delayed Government Sale

Reuters

TOKYO — Stock of Nippon Telegraph & Telephone Corp. soared Monday following speculation that the government will delay its fourth sale of shares in the telecommunications giant, saving the market from a flood of relatively cheap stock.

The speculation was fueled by a report in the Nikkei Keizai Shimbun financial daily that the Ministry of Finance will delay the sale of government-owned shares until the share price has recovered significantly. NTT stock is now worth just over half its all-time high.

A spokesman for the ministry said that it is studying whether to delay the fourth issue, but gave no details as to likely timing, amount, or price. "The No. 1 factor is market conditions," he said. "We have to be cautious."

Market talk is that NTT's share price will have to reach at least 1.8 million yen ($12,890) before the ministry considers the new issue. The stock closed 100,000 yen higher at 1.7 million on Monday.

The ministry has "a very free hand in terms of size and timing of the issue," said John Donald, a telecommunications analyst at Jardine Fleming Securities Ltd. "There is no pressing need for the government to issue shares in October."

Past issues have come around that time, Mr. Donald noted.

The Ministry of Finance projects an estimated 2.82 trillion yen from sales of 1.95 million NTT shares in Japan's budget for the year ending March 31, 1990. That is based on an NTT share price at 80 percent of 1.81 million yen, its average price from mid-December 1988 to mid-January 1989.

NTT stock was bruised by the sale of the third tranche of government shares, in October 1988, when 1.5 million shares were sold instead of an originally planned 1.95 million — and for only 1.90 million yen each, against 2.55 million the second time around.

"It will be difficult to persuade new buyers this time without previous investors seeing at least some profit," said a broker.

NTT stock fell sharply late last year when former NTT executives resigned because of their links to the Recruit shares-for-favors scandal. It hit an all-time low of 1.40 million yen on April 14.

In view of the problems within the ruling Liberal Democratic Party, "I don't think they would want push something unpopular now," said Darrel Whitten, analyst at Prudential-Bache Securities (Japan) Ltd.

Analysts said the government may chose to wait with the fourth issue until NTT's profit shows better growth — earnings were down in 1988-89 due to rate cuts and competition — and until more is known about the effects of a possible break-up of the huge company, now under study.

In the short term, buyers are attracted by the fact that NTT is technically oversold and the long margin position has declined, brokers said.

Brokers added that investment trusts and institutions were big buyers. Many close their books in September and, by the least-cost accounting method used, NTT's price looks better now, they said.

NTT also has a very heavy weighting in the Nikkei average, the principal market barometer, and many fund managers are indexing now, the brokers said.

Many analysts wonder how to price a stock that has a price-earnings ratio about 100 times the market average. Some say a fair price would be under one million yen.

STEEL:

New Pressures

(Continued from first finance page)

galvanizing plant in Cleveland set up in 1986 by LTV Corp. and Sumitomo Metal Industries Ltd.

The quotas, which limit to 18.4 percent of domestic consumption the amount of foreign-made steel allowed into the United States, have been important to the revival of the U.S. steel industry.

Before the so-called voluntary restraint agreement took effect in 1984, imported steel accounted for 26 percent of the steel consumed in the United States.

The largest U.S. steel companies have maintained that the measures were necessary to protect them from foreign steel sold in the United States at prices below the cost of production or below the prevailing level in the producing countries.

But more steel users complained that the measures had raised prices and created shortages of some steel products and pressed for the measures to be abandoned completely.

While the limits, which were scheduled to expire on Sept. 30, may now be extended to March 1992, the analysts say that steelmakers received a clear message that the administration of President George Bush ultimately wants to abandon trade restrictions on steel.

"The administration is saying to the industry is that they are getting protection, but to a point," said Peter Anker, an analyst with First Boston Corp. "But they will have to put their own house in order."

Meanwhile, the effect of the proposed extension remains unclear. Details on how the administration will pursue these agreements with 29 steel-producing countries are not known.

U.S. Steel Industry Shows Signs of Cooling

Reuters

PITTSBURGH — Big U.S. steel companies' earnings in the second quarter mainly satisfied Wall Street's expectations, but analysts said that the industry is showing signs of the downturn expected during the second half of the year.

"When you talk with management on the outlook for the second half, analysts have to revise their estimates downward," said Wayne Atwell, who follows steel at Goldman Sachs & Co.

Analysts said that steel prices are declining, as are shipments for certain products, such as cars. End markets where demand has been slow, such as the oil industry, are unlikely to recover soon, they added.

Bethlehem Steel Corp.'s second-quarter net income of $84.1 million, or $1.03 a share, was within pennies of most estimates despite the decline from last year's $143.9 million, or $1.94 a share, analysts said.

The most recent quarter's results were depressed by restructuring charges, higher steel production costs and comparison with a very strong 1988 quarter.

USX Corp.'s USS unit, the largest U.S. steelmaker, had pretax earnings of $171 million on sales of $1.6 billion, compared with $223 million on sales of $1.59 billion last year.

Analysts said USS performed better than expected, but was hurt by continued weak demand for oil country tubular goods.

Inland Steel Industries Inc.'s second-quarter net income was $41.5 million on sales of $665.5 million, compared with $86.7 million on sales of $650.5 million. The company said its net was hurt by a pretax charge, comparison with its record 1988 quarter and lower volume in the steel service segment.

Armco Inc. posted net income of $75.6 million on sales of $665.5 million, compared with $39.7 million on sales of $826.7 million.

Industry shipments were about 43.5 million tons during the first half of 1988, up about 3 percent from the first half of 1988, said Chris Plummer of the Wefa Group.

"We expect the second half to be down to about 37 million tons," he added. "There are a number of end markets that are already reporting some difficulties."

Analysts said that orders from the auto industry, which is suffering from slower demand from consumers, have declined and will continue to be a major influence on big steel.

"My reading is that the auto orders haven't fallen off as much as they will," Mr. Atwell said. He added that he expects the major impact of the decline to occur at the end of the third quarter.

Energy analysts said they expect flat to slightly lower oil prices through the end of the year, and said orders for oil country tubular goods were unlikely to pick up even if oil prices rebounded.

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INTERNATIONAL FUNDS

July 31, 1989

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

Fund		
AL-MAL GROUP		
(w) Al-Mal Trust, S.A	$	295.61
(r) Managed Currency	$	908.68
(w) Equity	$	963.95
(w) Bond	$	974.09
ALPHA ASSET MANAGEMENT LTD.		
(m) Alpha Global Fund	$	603.59
(m) Alpha Arbitrage Fund	$	257.04
(m) Alpha Hedge Fund	$	318.58
(w) Nicholas-Applegate Aurelia	$	130.39
BANK JULIUS BAER & CO. Ltd.		
(d) Baerbond	SF	950.00
(d) Conbar	SF	1872.00
(d) Equibaer America	$	1752.00
(d) Equibaer Europe	SF	1646.00*
(d) Equibaer Pacific	SF	1695.00*
(d) Stockbar	SF	3394.00
(d) SFR-BAER	SF	985.00*
(d) Swissbar	SF	2539.00
BAII MULTICURRENCY		
(r) Multicurrency US$	$	1,346.24
(r) Multicurrency Ecu	ECU	1,169.16
(r) Multicurrency Yen	Y	251,782.00
(r) Multicurrency FFR	FF	11,483137
BNP INTERFUNDS		
(w) Interbond Fund	$	193.12
(w) Intercurrency US$	$	10.63
(w) Intercurrency DM	DM	30.55
(w) Intercurrency Sterling	£	18.42
(w) Intercurrency Managed	$	10.61
(w) Interequity French Offer	$	15.15
(w) Interequity Pacific Offer	$	19.59
(w) Interequity N. Amer. Offer	$	12.95
(w) Interequity European Class	$	9.63
(w) Interequity Australia Cls.	$	10.23
(w) Interlux Capital Belgian	LF	57,349.00
(w) Interlux Cap.Fr Securite	FF	11,446.79
(w) Interlux Capital FFr	FF	13,371.98
(w) Interlux Cap.France Cap.	FF	11,208.05
(w) Interlux Cap. LUF/BEF	LF	48,737.00
(w) Interlux Capital ECU	ECU	1,304.22
BANQUE BELGE ASSET MGMT FUND		
Share Distributor Guernsey 0481 26614		
(w) Int'l Equity Fund (Sicav)	$	11.93
(w) Int'l Bond Fund (Sicav)	$	10.48
BANQUE INDOSUEZ		
(w) Asian Growth Fund	$	30.50
(w) Asian Income Fund	$	9.28*
(w) Diverbond	SF	84.95
(w) FIF-Internat. Div.A	$	18.28
(w) FIF-Internat. Div.B	$	19.00
(w) FIF Internat.America	$	13.71
(w) FIF Internat.Pacific	$	44.59
(w) FIF Internat.Europe	$	20.45
(w) FIF Internat.Japan	Y	1,258.00
(w) FIF Int. Nat. Res. A	$	11.21
(w) FIF Int. Nat. Res. B	$	11.21
(w) France Blue chips No1	FF	119,446.50
(w) Indosuez Multibonds Div.A	$	133.06
(w) Indosuez Multibonds Div.B	$	179.05
(w) France International	FF	101.90
(w) Indosuez Multibonds US$	$	110.19
(w) Indosuez Multibonds YEN	Y	9,898.00
(w) Indosuez Multibonds DM	DM	103.88
(w) IPNA-3	$	1128.00
(w) Malacca Fund	$	11.59
(w) The Siam Fund	$	17.97
(w) Pacific Gold Fund	$	12.41
BANQUE PRIVEE E. DE ROTHSCHILD		
(w) Daiwa Lcf Equity	$	1025.49
(w) Daiwa Lcf Int. Bond	$	1030.41
(w) Ecu D'Or	ECU	94.84
(w) Hispano Int'l Fund	ECU	10.10
(b) Pri-Tech	$	1218.74
(b) Source Sicav	$	11.27
BANQUE E. DE ROTHSCHILD LUX. SA		
(b) Cursitor BP Fixed Inc.Fund	DM	125.20
(b) Cursitor BP General Fund	DM	147.41
(b) Eagle Fund	LF	10424.00
(d) Europe Japan Fund	$	10.18
(b) Governm. Sec. Funds	$	75.69
(w) Lalcom	$	3652.96
(b) Opportunities Fund	$	883.02
(b) Prifirst	$	521.25
(b) Prirop fund	DM	51.43
(w) Rente Plus	BF	59145.00
(t) Select. Horizon Dev.	FF	53238.63
(t) Select. Horizon FF	FF	56594.74
(b) Star Conv.Fund FL	FL	10033.70
(b) Star Conv.Fund USD	$	101.37
BANQUE SCANDINAVE EN SUISSE-GENEVA		
(w) BSS Bond Fund	SF	81.95*
(w) BSS Intelsec.	SF	1858.76
(w) BSS Int'l Bond	$	1.22*
(w) BSS Int'l Equity	$	2.105
B.F.A.C.M.		
(w) Ecu Multiplacement	ECU	1178.32
BROADGATE INTERNATIONAL FUND		
(d) $ Money Market	$	12.43
(d) Non-$ Money Market	DM	38.31
(w) $ Bond	$	13.17
(w) Non-$ Bond	DM	31.39
(w) Global Equity	$	16.47
(w) Global Bond	$	13.23
(w) Global Bond & Equity	$	14.33
(w) Prec. Mets/Min. Secs	$	6.66
B.W MANAGED ASSETS CY, SICAV		
(t) Global Bond Fund	ECU	10.91
(t) European Securities Fund	ECU	13.04
(t) French Securities Fund	FF	126.34
(t) North American Secu.Fund	$	11.28
(t) Pacific Basin Secu. Fund	$	9.57
CAISSE CENTRALE DES BANQUES POP.		
(d) Fructilux-Obl.FSES	FF	5,739.01
(d) Fructilux-Obl.Euro	ECU	1,060.32
(d) Fructilux-Act.Fses	FF	7,401.49
(d) Fructilux-Act.Euro	ECU	1,251.62
(d) Fructilux-Tresorier	FF	5,673.97
CALLANDER		
(w) Callander Emer. Gr.	$	113.15
(w) Callander Fund-Asset	$	106.23
(w) Callander Fund-Span.	Ptas	10.567
CAPITAL INTERNATIONAL		
(w) Capital Int'l Fund	$	91.24*
(w) Capital Italia SA	$	36.18
CDC INTERNATIONAL		
(w) CFI Court Terme	FF	115,989.88
(w) CFI Long Terme	FF	1152,688.67
CIC GROUP		
(d) Oblicic Monetaire	FF	11291.72
(d) Oblicic Court Terme	FF	11683.28
CITICORP INVESTMENT BANK (Lux.)		
POB 1373 Luxembourg Tel. 477.95.71		
(d) Citicur USD Portofolios	$	1292.81
(d) Citinvest Ecu Income	ECU	1307.29
(d) Citinvest Manag. Growth	$	1190.92
(d) Citi.Mono.Growth Euro	ECU	1045.46
(d) Citinvest Profit Sharing	$	$
(d) Citinvest Selector	$	922.60
(d) Citinvest Guardian $	$	1064.17
(d) Citinvest Guard. Euro	ECU	1066.70
(d) Citiport N.A Equity	$	141.51
(d) Citiport Jap. Equity	Yen	11514.80
(d) Citiport UK Equity	£	122.90
(d) Citiport S.Asian Eq.	$	131.01
(d) Citiport Cont.Euro. Eq.	ECU	134.26
(d) Citiport N.A.S Bond	$	112.01
(d) Citiport Euro Bond	ECU	103.68
(d) Citiport AS.Pac.Bd.	YEN	10480.00
CITITRUST		
(w) US.$ Equities	$	215.71009
(w) US.$ Bonds	$	12.01799
(w) US.$ Money Market	$	12.39499
(w) Global Equities.	$	9.68000
(w) Global Money Market.	$	11.32000
(w) Global Bonds.	$	11.45000
CCF - GAMMA		
(w) CM Inv.Ser.Fds-Actibonds	$	36.24
(w) CM Inv.Ser.Fds-Glbl.Grth	$	11.34
(w) CM North Amer Grth	$	9.09
(w) Elysees Court Terme	FF	58,137.86
(w) Elysees Long Terme	FF	54,682.61
(w) Elysees Monetaire	FF	59,080.84
(w) Elysees Multibonds Fd.	£	104.74
(w) EMF D-Mark (A&B)	DM	1,015.65
(w) EMF Ecu (A & B)	ECU	1,032.01
(w) EMF US Dollar (A & B)	$	1,085.43
(w) EMF Yen (A & B)	YEN	100,408.00
(d) Europe Prestige Fund A	ECU	10.01
(d) Europe Prestige Fund B	ECU	11.58
(w) European Smlr Cos. Fd.A	ecu	13.68
(w) European Smlr Comp.Fd.B	ecu	13.57
CODEVALOR SICAV		
(w) C.Rendement Fr.Suisse	SF	1909.27
(w) C.Rendement US$	$	1423.31
(w) C.Croissance Dollar	$	1509.59
(w) C.Croissance Zone Sterling	£	993.00
(w) C.Croissance Fr.Suisse	SF	2083.71
COMPASS INTL HOLDINGS Ltd.		
POB 455, Jersey 0534 27267		
(w) Bond: Dollar Medium Term	$	11.21
(w) Bond: Ecu Multicurrency	ECU	10.50
(w) Equity: United Kingdom	£	11.78
CREDIT SUISSE (ISSUE PRICES)		
(d) CSF Bonds	SF	82.50
(d) Bond Valor Swf	SF	104.38
(d) Bond Valor US-DOLLAR	$	126.43
(d) Bond Valor D-mark	DM	114.70
(d) Bond Valor Yen	Y	10,999.00
(d) Bond Voor £ Sterling	£	100.78
(d) Convert Valor Swf	SF	157.25
(d) Convert Valor US-DOLLR	$	178.87
(d) CSF International	SF	143.25
(d) Actions Suisses	SF	632.50
(d) Europa-Valor	SF	222.25
(d) Energie-Valor	SF	158.00
(d) Conasec	SF	643.00
(d) Ussec	SF	777.00
(d) Pacific-Valor	SF	223.50
(d) CS Gold Valor	$	154.47
(d) CS Ecu Bond A	ECU	102.89
(d) CS Ecu Bond B	ECU	117.88
(d) CS Europa Bond 'A'	DM	253.55
(d) CS Europa Bond 'B'	DM	251.55
(d) CS Gulden Bond A	FL	100.56
(d) CS Gulden Bond B	FL	111.83
(d) CS Prime Bond 'A'	DM	97.53
(d) CS Prime Bond 'B'	DM	103.49
(d) CS Short-T. Bd DM A	DM	100.72
(d) CS Short-T. Bd DM B	DM	111.21
(d) CS Short-T. Bd $ A	$	101.65
(d) CS Short-T. Bd $ B	$	115.00
(d) CS Money Market Fund	$	1411.14
(d) CS Money Market Fund	DM	1224.80
(d) CS Money Market Fund	£	1482.04
(d) CS Money Market Fd Yen	Y	115,328.00
DIT INVESTMENT FFM		
+(d) Concentra	DM	43.47
+(d) Int'l Rentenfond	DM	79.94
DREXEL BURNHAM LAMBERT INC		
Winchester House, 77 London Wall		
LONDON EC2 (01 9209797)		
(w) Finsbury Group Ltd	$	142.69
(w) Winchester Capital	$	107.37
(w) Winchester Holdings	FF	142.82
(w) Winchester Holdings	$	14.84
(w) Winc.Holdings Ltd.E.B.S	ECU	1171.74
(w) Winc.Reserves.E.B.S	ECU	1172.41
(w) Winc.Reserv.MultiGvBd.	ECU	11.41
(w) Worldwide Securities	$	33.86
(w) Worldwide Special	$	787.45
(m) Winch Fut.Diversified	$	17.06
(m) Winch Fut.Orion Series	$	21.05
(m) Winchester Frontier	$	194.89
(m) Winchester Recovery Ltd	$	91.75
EBC TRUST CO.(JERSEY) LTD.		
1-3 Sele St., St. Helier 0534-36331		
EBC AMRO TRADED CURRENCY FUND.		
@(d)Inc.: Bid $ 13.670 Offer	$	14.121
@(d)Cap.: Bid $ 19.49 Offer	$	20.136
INTERNATIONAL INCOME FUND		
(d) Short Term 'A' (Accum)	$	1.1022
(d) Short Term 'A' (Distr)	$	0.7161
(d) Short Term 'B' (Accum)	$	1.3766
(d) Short Term 'B' (Distr)	$	0.9811
(w) Long Term	$	30.4911
ELDERS SECURITIES INC.		
W. Rafter, (212) 573-0440		
(d) EFF	$	336.20
(d) ESP	$	152.95
(d) EMR	$	102.15
ELDERS SWITZ.(038) 24 79 79		
(w) Elders Int Bid SF 106.75 Offer	SF	113.80
(w) Elders Aus Bid AS 93.58 Offer	AS	99.00
EQUIFLEX LIMITED		
(w) Europe A	FL	11.76
(w) Global A	FL	12.13
(w) North America A	FL	10.45
(w) UK Equities	£	11.16
(w) UK Small Co.	£	11.81
EURO PACIFIC ADVISERS Ltd.		
(w) Comete	$	764.98
(w) Meteore	Y	126,897.00
(w) Pacific Horizon Invt. Fd	$	1791.84
F&C MGMT. LTD. INV. ADVISERS		
1, Laurence Pountney Hill, EC4. 01-623-4680		
(w) F&C Atlantic	$	20.73
(w) F&C European	$	38.32
(w) F&C Oriental	$	87.94
(w) F&C N. American M C Fd	$	9.54
(w) F&C Nordic Fund	$	12.77
FIDELITY INT'L INV. MGMT (LUX.) S.A.		
(d) New Europe Fund	$	18.60
(d) Fidelity Conv. Sec. Portf.	$	10.38
FIDELITY POB 670, Hamilton Bermuda		
(m) Fid. Amer. Vol.II Com.	$	114.19
(m) Fid. Amr.Val.II Cum.Pref.	$	102.00
(m) Fid. Amer. Val.III Com.	$	59.88
(m) Fid. Amr.Val.III Cum Pref.	$	102.77
(d) Fidelity Amer. Assets	$	134.17*
(d) Fidelity Australia Fund	$	16.17
(d) Fidelity Dir. Svgs.Tr.	$	143.91
(d) Fidelity Pacific Fund	$	322.20
FIDELITY INT'L SERVICE (LUX.)		
(d) Balanced Portfolio-hedg.	$	11.29
(d) Balanced Portfolio-unhedg	$	11.51
(d) Fidelity Discovery Fund	$	17.66
(d) Fidelity Far East Fund	$	63.99*
(d) Fidelity Frontier Fund	$	22.80
(d) Fidelity Global Ind. Fd	$	13.47
(d) Fidelity Global Selct Fd	$	12.91
(d) Fidelity Int'l. Fund	$	14.06
(d) Fidelity Orient Fund	$	96.59
(d) Fidelity Sect. Growth Fd.	$	34.80
(d) Fidelity World Fund	$	48.88
FIDELITY INT'L (CI) LTD.		
FIDELITY PERFORM PORTFOLIOS LTD.		
(d) American Portfolio	$	1.05*
(d) European Portfolio	$	1.42*
(d) Japan Portfolio	$	1.47*
(d) South East Asian Portfolio	$	0.94*
(d) U.K. Portfolio	£	1.17*
(d) Intl. Bond Portfolio	$	0.95*
(d) Sterling Liquidity Ptfl.	£	10.22*
(d) Dollar Liquidity Portfolio	$	10.14*
FINAFUTURES (BVI) Ltd		
(d) Portfolio Fund-series 1	$	1.0269
FOKUS BANK A.S. 472 428 555		
(w) Scanfonds Int'l growth fd	$	1.59
FORBES PO B887 GRAND CAYMAN		
London Agent 01-839-3013		
(w) Forbes High Inc. Gilt Fd	£	47.10
(w) Gold Income	$	4.84
(w) Gold Appreciation	$	4.03
GAIA CURRENCY HEDGE FUNDS		
(w) Gaia Hedge I $ $ 91.55*Red	$	90.82
(w) Gaia Hedge II $ $ 146.13*Red	$	141.78
GAM ANLAGEFONDS AG.		
POB 144, 8034 Zurich Tel.41-1-2516640		
(w) GAM (CH) America	SF	1258.00
(w) GAM (CH) Mondial	SF	1484.80
(w) GAM (CH) Pacific	SF	1554.00
GARTMORE FUND MANAGERS INT.		
45,La Motte Street, JERSEY 0534 27301		
CAPITAL STRATEGY FD. LTD.		
(d) Sterling Deposit	£	1.823
(d) US$ Deposit	$	1.856
(d) DM Deposit	DM	5.113
(d) Yen Deposit	Y	587.60
(d) Sw. Fr. Deposit	SF	5.120
(d) Austr.Dollar Dep. fd	AS	1.866
(d) French Franc Deposit fd	FF	18.22
(d) N. American	$	1.48
(d) Japan	Y	698.00
(d) Pacific Basin	Y	312.00
(d) International growth	$	2.91
(d) British	£	2.38
(d) Sterling Gilt	£	1.88
(d) International Bond	$	1.23
(d) Yen Convertible bond	Y	2919.00
(d) European Fund	DM	5.87
(d) E.C.U. Fund	ECU	8.97
(d) Australasian fund	AS	0.35
(d) Canadian fund	Can$	0.98
(d) Emerging Markets Fund	£	1.19
(d) Global Resources Fund	£	0.77
GEFINOR FUNDS		
London:01-4994171, Geneva:41-22355530		
(w) East Investment Fund	$	1015.47
(w) Scottish World Fund	£	285.899
(w) State St. American	$	306.43
GENERALE BANK		
(see also Interselex Group)		
(d) Rentinvest	$	27.35*
(d) Capital Rentinvest	$	118.29
(d) Rentinbel Distr.	LF	10,644.00*
(d) Rentinbel Cap.	LF	10,584.00
GLOBAL ASSET MANAGEMENT CORP.		
11 Athol St,Douglas,I. of Man,44-624-26037		
(w) Futurgam S.A.	$	159.25
(w) GAM Arbitrage Inc	$	245.20
(w) GAMerica Inc	$	251.35
(w) GAM Australia Inc.	$	144.42
(w) GAM Asean Inc	$	142.88*
(w) GAM Boston Inc	$	174.74
(w) GAM Ermitage	$	27.34
(w) GAM European Inc.	$	108.92
(w) GAM Franc-Val Inc.	SF	251.25
(w) GAM France Inc	FF	1453.07
(w) GAM Global Fund	$	122.51
(w) GAM High Yield Inc.	$	109.86
(w) GAM Hong Kong Inc.	$	179.27*
(w) GAM International Inc.	$	161.71
(w) GAM Japan Inc.	$	409.45
(w) GAM Money Mkts. Fund	$	100.62*
(w) GAM Money Mkts. Fund	£	101.02
(w) GAM Money Mkts. Fund	SF	100.45
(d) GAM Money Mkts. Fund	DM	100.47*
(d) GAM Money Mkts. Fund	Y	10,028.00*
(w) GAM Pacific Basin Fund	$	128.11
(w) GAM Pacific Inc	$	468.52
(w) GAM Restr. Fd. Inc.	$	161.57*
(w) GAM Singapore/Malay Inc	$	193.80
(w) GAM Swiss Fr Spec Bond Fd	SF	98.48
(w) GAM Value Inc.	$	103.20
(w) GAM Worldwide Inc	$	443.92
(w) GAM Tyche S.A. Class A	$	177.78
(w) GAM U.S. Inc.	$	151.49
(w) GAM Whitehorn Fund Inc.	$	131.70
(w) GAM ut Inc.	$	270.73
(w) GSAM Composite Inc.	$	228.74*
(w) GSAM Int. Inc. U.S Ord.	$	118.45*
(w) GSAM Int. Inc.U.S Spe.	$	124.31*
(w) GSAM Interest Inc.	SF	96.58*
(w) GSAM Interest Inc.	£	108.27*
(w) GSAM Interest Inc.	DM	94.75
(w) GSAM Interest Inc.	Y	11,910000*
G.T. MANAGEMENT PLC		
(r) G.T. Applied Science	$	13.68
(d) G.T. ASEAN Fund	$	43.19
(d) G.T. Asia Fund	$	13.14*
(d) G.T. Australia Fund	$	29.80*
(d) G.T. Berry Japan Fund	$	35.77
(d) G.T.Biotechn./Health Fund	$	8.74
(d) G.T. Bond Fund	$	14.96*
(w) G.T. Britain Fund	£	8.84
(d) G.T. Deutschland Fund	$	11.35
(d) G.T. Dollar Fund	$	21.37*
(d) G.T. Europe Fund	$	30.05
(w) G.T. Euro. Small Cos. Fund	$	15.51
(d) G.T.Global Small Cos.Fund	$	30.22
(d) G.T.Global Technology Fd	$	15.05*
(d) G.T. Hong Kong Fund	$	22.96*
(d) G.T. Honshu Pathfinder	$	18.33
(d) G.T. Investment Fund	$	11.34
(w) G.T. Japan Sml Co.Fd	$	10.81*
(w) G.T. Nat Res. Fd Gold Class	$	6.76
(d) G.T. Newly Ind. Countr. Fd	$	28.78
(d) G.T. Select Dollar Bd Pfl	$	9.57
(d) G.T. Select Intl Bd Pfl.	$	9.84*
(d) G.T. Select Gilt Pfl.	£	8.75*
(r) G.T. Technology Fund	$	31.51
(d) G.T. U.K. Small Companies	£	10.93
(d) G.T. Univ.Growth Fund	£	10.39
(w) G.T. U.S. Small Companies	$	12.44
HILL SAMUEL INVEST. MGMT. INTL. S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
(d) Crossbow (Far East)	SF	18.10
(d) CSF (Balanced)	SF	38.21
(d) European Equity Fund	DM	17.99
(d) Intnl. Bond Fund	$	12.98
(d) Int. Currency U.S.Manag'd	$	26.34
(d) ITF Fd (Technology)	$	20.52
(d) O'Seas Fd (N. AMERICA)	$	30.40
(d) Int. Currency U.S.	$	32.31
IAM, 2 Bd. Royal LUXEMBOURG		
(d) Iam Flagship Fund	ECU	85.95
(w) Iam Bonds Fund-France	FF	554.17
(w) Iam Bonds Fund-Deutschl	DM	213.69
(w) Iam Bonds Fund-Japan	Y	18,948.00
(w) Iam Bonds Fund-Switz.	FS	208.51
(w) Iam Bonds Fund-U.S.A	$	709.39
(w) Iam Bonds Fund-Europe	ECU	172.86
(w) Iam Bonds Fund-Netherl.	FL	213.99
(w) Iam Europe global	ECU	101.30
(w) Iam Europe luxe	ECU	102.03
(w) Iam Europe 90/10	ECU	100.48
(w) Iam Europe 1992	ECU	102.82
(w) Iam Europe du Sud	ECU	102.49
INTERSELEX GROUP		
(d) Int.America Fund	$	14.97
(d) Int.Belgo Fund	LF	3192.00
(d) Int.Europa Sicav	LF	6746.00
(d) Int.Pacific Fund	$	1312.13*
(d) Int.World Fund	$	100.52*
ISLAMIC MGMT FUND LTD	$	1802.65
CSFB Fund Mgmt Ltd (0481-713996)		
PB122 St. Peter Port,Guernsey		
JARDINE FLEMING, GPO Box 11448 Hg Kg		
(d) J.F Japan Trust	Y	16,873.00
(d) J.F Pacific Sec. Trust	$	27.82
(d) J.F Pacific Income Trust	$	89.93
(d) J.F Hong Kong Trust	$	58.98
(d) J.F European	$	10.96
(d) J.F International	$	13.95
(d) J.F Glb Convertibles Trust	$	12.12
LLOYDS BANK PLC, POB 438, Geneva 11		
Mrs. C. Bertoletti(22) 208611/ext. 2222		
-+(w)Lloyds Int'l Dollar	$	114.00
-+(w)Lloyds Int'l Europe	SF	185.60
-+(w)Lloyds Int'l Growth	SF	236.10
-+(w)Lloyds Int'l Income	SF	306.50
-+(w)Lloyds Int'l N. America	$	155.40*
-+(w)Lloyds Int'l Pacific	SF	244.08
-+(w)Lloyds Int'l Smaller Cos	$	17.91
MAN INTERNATIONAL FUTURES		
(m) Alubat Mint Gtd.Fund.Ltd.	$	N/C
(m) Mint Limited - Ordinary	$	39.34
(m) Mint Limited - Income	$	14.68
(m) Mint Gtd Ltd - Spec Issue	$	28.79
(m) Mint Gtd Ltd - Series A	$	29.27
(m) Mint Gtd Ltd - Nov 1993	$	18.51
(m) Mint Gtd Ltd - Jan 1994	$	14.75
(m) Mint Gtd Ltd - Dec 1994	$	13.03
(m) Mint Gtd Ltd - Aug 1995	$	10.60
(m) Fame Mint Gtd Plc	$	113.32
(m) Mint Sp Res Ltd (BNP)	$	103.17
(m) Newcastle Guaranteed Ltd	$	18.91
MAGNUM FUTURES FUND LTD.		
(m) Sterling Class	£	4.86
(m) U.S Dollar Class	$	9.69
MERRILL LYNCH		
(d) Dollar Assets Portfolio	$	1.00
(d) First Convertible Sec. Fd	$	12.05
(d) Global equity Portfolio	$	18.54
(d) Iberia portfolio	$	11.31
(d) Multi-Curr. Bond Portfolio	$	13.67
(d) U.S.A Income Portfolio	$	9.46
(d) US Federal Securities	$	9.98
(d) World Nat Res Pfl. Share A	$	18.68
(d) World Nat Res Pfl. Share B	$	18.63
GLOBAL CURRENCY PORTFOLIOS		
(d) Australian Dollar Pfl.	$	10.66
(d) Deutschmark Portfolio	DM	10.31
(d) Pound Sterling Portfolio	£	10.54
(d) US Dollar Portfolio	$	10.78
(d) Yen Portfolio	Y	1013.00
MIM BRITANNIA,POB 271, St. Helier, Jersey		
(d) Int.High Income	$	2.525*
(d) Dollar Man.Curr	$	14.67*
(d) Dollar Man. Port	$	2.213
(d) Sterling Man.Port	£	1.855
(d) Pioneer Markets	£	2.769
(d) U.K. Growth	£	1.127
(d) Amer. Inc. & Growth	$	1.391*
(d) Gold & Prec. Metals	$	0.987
(d) Sterling Man. Curr.	£	17.55
(d) Japan Dollar Perf. Fd	$	4.410
(d) Jersey Gilt	£	0.1920
(d) Okasan Global Strat	$	17.60
(d) Asia Super Growth Fund	$	12.52
NIMARBEN		
(w) Class A	$	150.40
NMB BANK,PO 1800,1000 BV Amsterdam.		
(w) The Brazil Fund	$	2.28
(w) NMB Dutch Fund	FL	38.50
NOMURA INVEST BANKING (MIE) E.C.		
(d) Nomura Gulf Fund	$	10.11
OBLIFLEX LIMITED		
(w) Multicurrency	$	28.68
(w) Dollar Medium Term	$	16.44
(w) Dollar Long Term	$	15.96
(w) Japanese Yen	Y	26.20
(w) Pound Sterling	£	15.63
(w) Deutsche Mark	DM	13.35
(w) Dutch Florin	FL	13.85
(w) Dutch Florin Multi.	FL	18.49
(w) Swiss Franc	SF	11.88
(w) Swiss Multicurrency	SF	12.52
(w) European Currency	ECU	14.26
(w) Convertibles	$	11.17
(w) French Franc	FF	102.13
(w) Swiss Multi-dividend	SF	10.26
PARIBAS-GROUP		
(d) Belux Fund	LF	10,943.00
(d) Cortexa International	$	134.19
(d) Econor	ECU	1,370.96
(d) Far East Growth Fund	$	146.52
(d) Luxor	$	8.47
(d) Maneflow	LF	10,147.00
(d) Parsurope Growth	$	21.47
(d) Parinter Fund	$	222.91
(d) Par US Treas. Bond 'Cl. B'	$	122.69
(d) Europhenix	ECU	195.75
(d) Parister Bond Fund	$	12.33
(d) Paribas-Rente 'A'	LF	1,388.00
(d) Paribas-Rente 'B'	LF	1,489.00
(d) Obli-Franc	FF	1,207.20
(w) Obli-DM 'A'	DM	1,163.88
(w) Obli-DM 'B'	DM	1,239.27
(w) Obligestion	SF	91.25
(w) Obli-Dollar 'A'	$	1,217.02
(w) Obli-Dollar 'B'	$	1,296.17
(w) Obli-Yen 'A'	Y	108,321.00
(w) Obli-Yen 'B'	Y	114,322.00
(w) Obli-Gulden 'A'	FL	1,062.49
(w) Obli-Gulden 'B'	FL	1,123.77
(w) Parsuisse	SF	1,585.50
(w) Parlapan	Y	3,487.00
PERMAL GROUP		
(m) Drakkar Growth	$	2044.27
(m) Nascal Ltd	$	1282.51
(m) Select Equities Ltd	$	735.80
(m) Special Opportunities Ltd	$	1635.28
(m) Updyke Ltd	$	239.11
(m) Value N.V.	$	2040.55
PIERSON,HELDRING & PIERSON N.V.		
POB 243,1000 AE Amsterdam (20-211188)		
(w) Asia Pac. Growth Fd N.V.	$	37.75
(w) DP Amer. Growth Fd N.V.	$	25.49
(w) DP Energy Resources	$	44.18
(w) Europe Growth Fund N.V.	FL	38.75
(w) Japan Diversified Fund	$	55.13
(w) Leveraged Cap Hold	$	337.33
(w) Tokyo Pac. Hold. N.V.	$	186.94
PUTNAM		
(d) Emerging Hlth Sc. Trust	$	12.79
(d) Putnam Em. Info. Sc. Tr	$	15.67
(d) Putnam Int'l Fund	$	11.36
ROBECO GROUP		
POB 973, Rotterdam (10-4650711)		
(d) Robeco	FL	109.90
(d) Rolinco	FL	108.60
(d) Rorento	FL	82.38
(d) Rodamco	FL	159.40
ROTHSCHILD AST.MGT.		
(w) Tokyo Pac. Hold. (Sea)	$	185.23
ROYAL B. CANADA,POB 246,GUERNSEY		
-+(w)RBC British Fund Ltd.	£	6.01
-+(w)RBC Canadian Fund Ltd	C$	15.28
-+(w)RBC European Fund	£	12.37
-+(w)RBC Far East&Pacific Fd	$	39.38
-+(w)RBC Int'l Capital Fd	$	56.42
-+(w)RBC Int'l Bond Fund Ltd.	$	12.35
-+(d)RBC Man.Currency Fd	$	38.50
-+(w)RBC North Amer. Fd	$	15.73*
ROYAL TRUST ASSETMIX FUND		
Lux.Tel:(352)489061		
EQUITY FUNDS		
(d)Alpha UK	£	1.29
(d)Alpha US$	$	1.29
(d)Alpha Worldwide	SF	5.46
(d)Alpha Japanese	Y	1052.00
(d)Alpha Pacific Rim	$	1.14
(d)Alpha European	ECU	1.13
(d)Gold Share	$	1.00
BOND FUNDS		
(d)Sterling Pound	£	105.66
(d)US$ Bond	US$	111.82
(d)Deutschmark Bond	DM	51.14
(d)Alpha Worldwide	SF	56.86
RESERVE FUNDS		
(d)Sterling Reserve	£	10.828
(d)US$ Reserve	$	10.983
(d)Deutschmark Reserve	DM	10.313
SHEARSON LEHMAN HUTTON		
(d) Oporto Growth Fund	$	9.00
INTERNATIONAL PORTFOLIOS (IP)		
(d) IP Global Balanced	$	10.81
(d) IP Precious Metals	$	8.97
(d) IP Global Bond	$	10.34
(d) IP US Share	$	11.66
(d) IP Global Equity	$	11.39
(d) IP Pacific Equity	$	10.90
(d) IP Euro Equity	$	11.85
(d) IP US Govt-securities	$	10.98
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
(w)Equity Intl Acc	$	11.21
(w)Equity Intl Inc	$	10.48
(w)Equity Global	$	1.04
(w)Equity Far East	$	1.74
(w)Equity Gold	$	0.88
(w)Equity Japan	Y	123.00
(w)Equity Nordic	$	1.21
(w)Equity U.K.	$	1.11
(w)Equity Continental Europe	$	1.09
(w)Equity Mediterranean	$	1.02
(w)Equity North America	$	1.12
(d)Bond DEM	DM	8.98
(w)Bond Intl Acc	$	7.75
(w)Bond Intl Inc	$	6.47
(d)Bond Sweden	SEK	10.04
(w)Bond Dollar	$	0.99
(w)High Income Acc	$	1.02
(w)High Income Inc	$	0.92
(w)Multicurrency	$	1.4607
(d)FRF	FF	1.02
SOCIETE GENERALE GROUP		
(w) SF Fund		
(w) SF Bonds A U.S.A	$	11.42
(w) SF Bonds B Germany	DM	21.75
(w) SF Bonds C France	FF	86.14
(w) SF Bonds D Switz.	SF	28.00
(w) SF Bonds E G.B.	£	8.14
(w) SF Bonds F Japan	Y	1439.00
(w) SF Bonds G Europe	ECU	11.58
(w) SF Bonds H World Wide	$	11.45
(w) SF Bonds J Belgium	BF	551.00
(w) SF Eq. K North America	$	11.77
(w) SF Eq. L W. Europe	ECU	12.07
(w) SF Eq. M Pacific Basin	YEN	1434.00
(w) SF Eq P Growth Countries	$	10.52
(w) SF Equities Q Gold Mines	$	9.93
(w) SF Equities R World Wide	$	11.41
(w) SF Short Term S France	FF	116.95
(w) SF Short Term T Eur.	ECU	10.83
SODITIC ASSET MANAGEMENT INC.		
(w) SAM Diversified Inc	$	103.76
SVENSKA HANDELSBANKEN S.A.		
146 bd de la Petrusse,L-2330 Luxembourg		
(b) SHB Bond Fund	$	42.44
(w) Svenska Select.Fd Intl Sh.	$	52.56
(w) Svenska Select.Fd America Sh	$	11.67
(w) Svenska Select.Fd Asia Shares	$	9.42
SWISS BANK CORP. (ISSUE PRICES)		
(d) AmericaValor	SF	489.25*
(d) AngloValor	£	116.79*
(d) Asia Portfolio	SF	584.02
(d) Convert Bond Selection	SF	101.85
(d) Dollar Bond Selection	$	137.35*
(d) D-Mark Bond Selection	DM	118.47*
(d) Ecu Bond Selection	ECU	102.35*
(d) Florin Bond Selection	FL	120.47*
(d) FranceValor	FF	1775.29*
(d) GermaniaValor	DM	489.22*
(d) Gold Portfolio	SF	515.07
(d) ItalValor	Lit	984,570.00*
(d) Japan Portfolio	SF	408.75*
(d) SBC US$ MMF	$	5680.36
(d) SBC 100 Index Fund	SF	1246.00
(d) Sterling Bond Selection	£	107.74
(d) Swiss Foreign Bond Selec	SF	107.82*
(d) Swissvalor	SF	411.75*
(d) Universal Bond Select.	SF	81.00*
(d) UniversalFund	SF	128.83*
(d) Yen Bond Selection	Y	11,879.00
THORNTON MANAGEMENT LTD.		
(d) Thornton Int. apps.fund	$	2.85
(d) Pacific Invt. Fd. S.A.	$	10.32
(d) Pac.Invt. Warrants Fd.S.A.	$	5.32
(d) Thornton Kangaroo Fd Ltd.	$	11.14
(d) Thornton European Fund	$	6.78
(d) Thornton HK & China	$	10.47
(d) Thornton Japan Fund Ltd	$	27.15
(d) Thornton Orient.Inc. Fd Ltd	$	21.57
(w) Thornton Phil. Redev. Fd	$	44.97
(d) Thornton Tiger Fund Ltd	$	22.85
(d) Thor.Pacific Tech.Fd Ltd	$	12.98
(d) Thor.I.H. Dragons Fd Ltd	$	19.33
(d) Thor.Golden Opport.Fd	$	6.72
(d) Eastern Crusader Fund	$	8.87
(w) The Global Access Fund	$	9.69
T. Rowe Price Associates Inc.		
(m)T. Rowe Price Frontier Ltd.	$	10.13
TYNDALL INT'L GUERNSEY LTD		
Tel.0481 27963		
(d) Amer Spec Sits	$	45.09
(d) Eurobond	$	28.40
(d) Mortgage	C$	13.14
(d) Overseas	$	28.68
(d) Tiger	$	38.29
(d) High Yield Bond	$	69.80*
(d) Moruneuchi	£	74.20
(d) Far Eastern	£	564.70
(d) Gilt	£	509.50
(d) Mad Currency-Dollar	$	1.398
(d) Mad Currency-Stlg	£	106.30
(d) 1992	£	270.60
(d) Wall Street	$	251.90
(d) HI Inc Gilt & Buildog	£	103.40
UEBERSEEBANK, ZURICH		
(d) B-FUND	SF	984.20
(d) M-FUND	SF	1105.91
(d) M-Distribution	SF	104.83
(d) UBZ Euro-Income Fund	SF	10.36
UNION BANK OF SWITZERLAND		
(d) Bond-Invest	SF	64.00
(d) Brit-Invest Shares	SF	628.50
(d) D-Mark-Invest Bds	DM	206.10*
(d) Dollar-Invest Bds	SF	198.75*
(d) ESPAC Spanish sh	SF	218.50
(d) Eurit	SF	350.00
(d) Fonsa Swiss Sh.	SF	222.50*
(d) Franch Shares.	SF	219.50
(d) Germac Shares.	SF	217.00
(d) Globinvest Shares.	SF	118.00
(d) Gold Invest Shares.	SF	244.00
(d) Holland-Invest Sh.	SF	341.50
(d) Hac Shares	SF	225.50
(d) Japan-Invest Sh.	SF	1713.00
(d) Sima (stock price)	SF	238.00
(d) Skandinavien-Invest	SF	279.50
(d) UBS Money Mkt Inv.	$	3280.12
(d) Yen-Invest Bonds.	SF	1815.00*
UNION INVESTMENT Frankfurt		
(d) Unirenta	DM	40.80
(d) Unifonds	DM	33.30
(d) Unirak	DM	81.80
(d) Unizins	DM	114.40
THE UNIVERSAL GROUP OF FUNDS		
(m) Canada Gtd-Mortgage Fd.	C$	12.56
(d) Univers Sav Amer	C$	10.52
(d) Univers Sav Equity	C$	12.75
(d) Univers Sav Global	C$	5.59
(d) Univers Sav Pacific	C$	5.81
(d) Univers Sav Nat. Res	C$	4.95
VHOYTEMA & CHAUSSEE Brussels [illegible]		
(m) VH&C Managed Fut. Index	$	198.00
Other Funds		
(b) Abacus Guart.Fd.Mar.'M'	$	9.88
(w) Acticroissance	SF	428.63
(w) Actifinance Intl	$	[illegible]
(w) Actigestion	FF	1127.69
(w) Activest Intl	$	94.00
(w) Amvabel	FL	262.22
(w) Aquila International Fund	$	134.00
(w) Ariane	$	3,448.34
(m) Atlantic Fund	$	192.96
(d) Atlas Fund	SF	122.84
(r) Australia Fund	$	14.72
(d) Bahamas Superfund	$	964.00
(d) Bleo Manag Bond Fund	$	108.15
(d) Bers Norden Sicav	$	130.50
(w) Bers Trust Sicav	$	127.27
(w) Berges Int'l Fund	$	11.62
(w) Bever Beleggingen	$	25.30
(m) Bonar Currency & Int.	$	27.38
(w) Bondselex-Issue Pr.	SF	117.73
(m) J Capel guaranteed Fund	$	10.38
(w) CAI Investment Fund	$	1210.00
(d) Cash Gestion	FF	9524.17
(d) CB German Index Fund	DM	113.00
(m) Cleveland Offshore Fd.	$	1318.00
(w) Columbia Securities	FL	110.58
(m) Commod. Gtd. Fund/USA	$	8.10
(d) Conqueror Fund Ltd	$	9.41
(w) Convert. Fd. Int'l A Certs	$	18.32
(w) Convert. Fd. Int'l B Certs	$	40.41
(w) Clupbar Intl N.V.	$	344.80
(w) Daiwa Japan Fund	Y	9628.00
(w) D.G.C.	$	103.28
(w) DIVERSIF. BOND FUND	$	93.47
(w) D-mark-Baer Bond Fd	DM	1052.00*
(d) Dollar-Baer Bond Fd	$	1138.00*
(d) D. Witter Wld Wide Ivt Tst	$	22.94
(d) Dreyfus America Fund	$	17.34
(d) Dreyfus Fund Int'l.	$	63.28
(d) Dreyfus Intercontinent	$	43.20
(w) Esprit Sicav	ECU	1780.01*
(w) Espirito Sto Inv M Stn Eur Fd	$	10.32
(d) Europe Obligations	ECU	74.57
(w) Fairfield Int'l Ltd.	$	134.15
(w) Fairfield Strat. Ltd.	$	35.76
(w) First Eagle Fund	$	3576.39
(w) F.I.T. Fund ff	FF	188.48
(d) Fonditalia	$	77.52
(w) Fonselex Issue Pr.	SF	218.85
(w) Foresund Limited	$	74.57
(w) Formula Selection Fd.	SF	74.57
(d) Frankf-Trust Effekten Fd	DM	158.71
(d) Frankf-Trust Interzins	DM	42.36
(w) Future Div.Fund	$	27,030.00
(w) George V INV. BOND F.	$	17.90
(m) German Sel. Associates	DM	2146.11
(d) Green Line France	FF	684.14
(w) Haussmann Hldgs. N.V.	$	277.08
(w) Health 2000 Ltd	$	10.01
(w) Hestia Funds	$	148.58
(w) Horizon Fund	$	1851.59
(w) Ibex Holdings Ltd.	SF	183.42
(w) IFDC Japan Fund	YEN	47,027.00
(r) ILA-IGB	$	6.51
(r) ILA-IGS	$	9.97
(m) IncAmerica N.V.	$	14.42
(m) IncAsia N.V.	$	10.67
(w) Interacu Fund	ECU	1198.42
(m) Interface Fund Ltd.	$	148.60
(d) Interfund SA	$	39.07
(w) Intermarket Fund	$	393.88
(r) Int'l Securities Fund	$	24.80
(w) Intersec SA	$	3589.34
(d) Investa DWS	DM	69.76
(w) Inprimest	$	10.05
(r) Italfortune Int'l Fund SA	$	43.59
(m) Japan Selection Assets	Y	9,827.00
(w) Japan Selection Fund	$	202.57
(w) Japan Pacific Fund	$	207.08
(w) Kleinwort Bens. Jap. Fd.	$	348.44
(d) KML-II High Yield 28/07/89	$	715.38
(w) Korea Growth Trust	$	42.16*
(w) LACO International	$	7.49
(d) Liedlbaer	$	1752.88
(m) London Portfolio G'td. I.	$	98.37
(m) London Portfolio G'td. II.	$	9.52
(w) Luxfund	$	102.44
(m) Lynx Sel.Holdings	SF	126.92
(w) ML.Morgens Lv HI Yld.Inv.NV	$	10.46
(w) Mediolanum Sel. Fd.	$	38.74
(d) NCA FUND	$	11.46
(m) Nippon Fund	$	109.06
(m) NMT Asian Sel. Portfolio	$	177.72
(w) NMT Citadel Bond	SF	112.32
(w) NMT Nostec Portfolio s/s	$	103.05
(d) NM Inc. & Growth Fund	$	16.21
(d) Nomura-Cap Int Eq Fd	$	14.21
(d) Nordmix	Lit	11147.00
(m) NSP F.I.T.	$	272.50
(m) Oppenheimer U.S.Arb.	$	338.67
(m) Overlook Performance	$	1172.71
(d) Pacific Rim Fund	$	10.30
(d) PAM Futures Trad.	$	1132.26
(w) Pancurri Inc.	$	127.47
(w) Prime. LH.Inc.P.F.26/07/89	$	9.36
(w) Protected Perfor. Fund	$	10.71
(w) Quantum Fund N.V.	$	13730.63
(w) Res.(Guernsey) Dol.Inc.Id	$	9.76*
(w) Samurai Portfolio	SF	332.96
(d) Sanyo Kle.Bean.Fd	$	18.98
(d) Saraboresk Holding n.v.	$	34.52
(d) SCI/Tech.SA Luxembourg	$	18.79
(w) Spectrafund Ltd.	$	15.86
(w) SP International S.A.	$	4554.52
(d) Strat Int'l Gold Fund S.A.	$	4.44
(w) Sussex Silverman	$	1823.80
(w) Techno Growth Fund	SF	67.78
(d) Templeton Glob Inc.	$	10.11*
(d) The Petrus Fund Ltd.	$	1.033
(m) TIIC(O.T.C)Jap.td Sicav	$	9.35
(w) Transpacific Fund	Y	36325.00
(w) Tram Europe Fund	FL	74.98
(w) Tudor B.VI Futures,LTD	$	3943.08
(w) Turquoise Fund	$	216.92
(w) Tweedy,Browne n.v.CLA	$	3444.44
(w) Tweedy,Browne n.v.CLB	$	1936.82
(w) Tweedy,Browne (U.K.) n.v.	$	1397.59
(d) Unico Inv.Fund	DM	77.33
(d) Unica Equity.Fund	DM	65.06
(d) Uni Bond Fund	ECU	1521.86
(r) Uni Capital Fund	$	1475.25
(d) Univers Bonds	DM	132.42
(w) Vanderbilt Assets	$	17.25
(d) Vesper Flux	FF	1,801.83
(d) Vesper Tr 'A'	FF	1010.12
(d) Vesper Tr 'B'	FF	[illegible]
(d) Vesper Tr 'C'	FF	1390.72
(d) Vesper Tr 'D'	FF	1081.32
(d) Victoria Fund	$	23,000.00
(w) Willerband Capital	$	14.20
(d) World Fund S.A.	$	11.54
(d) World Balanced Fund S.A.	$	11.72
(m) Zweig Int'l Ltd	$	87,850.00

AS - Australian Dollars; BF - Belgium Francs; CS - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; LIT - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; -@ Offer Price incl. 3% prelim. charge; ++ - Paris exchange; +-+ - Amsterdam exchange; e - misquoted earlier; x - not registered with regulatory authority

Be sure that your fund is listed in this space daily. Telex Simon OSBORN at 613595F for further information.

SOVIET: *Pressure Builds on Leadership to Play the Foreign Debt Card*

(Continued from Page 1)

ers, home appliances, fashionable clothes — could be sold for five or 10 times cost, soaking up a good chunk of the estimated 300 billion rubles ($480 billion at the official rate) in accumulated personal savings.

The main proponent of such a high-debt strategy, Nikolai Shmelev, is a member of the newly elected Congress of People's Deputies, but he is not close to the government.

Prime Minister Nikolai I. Ryzhkov took Mr. Shmelev's argument seriously enough to say that the Soviet Union simply does not have the capacity to earn enough hard currency to service a bigger foreign debt.

That was news to Western European bankers, who are lending money to the Soviet Union at lower interest rates than those offered to blue-chip multinational corporations like Royal Dutch-Shell and International Business Machines.

It also was a puzzle to Jan Vanous, whose respected PlanEcon consulting firm keeps close watch on Soviet borrowing.

Mr. Vanous estimated that the Soviet foreign debt was about $43 billion at the end of 1988 — a figure slightly higher than Soviet figures and also an estimate published by the Organization for Economic Cooperation and Development.

A Public Broadcasting System documentary broadcast in July pointed out that some Soviet hard-currency debts, notably those owed to banks in Eastern Europe and to nonbanking corporations in the West, cannot be measured.

[The Soviet Union owes 28 billion rubles in hard currency out of a total foreign debt of 34 billion rubles, Reuters reported from an interview with Mr. Popov in the newspaper of the Council of Ministers.

[Mr. Popov said 2 billion rubles owed to Yugoslavia and Finland would be cleared in trade, with another 4 billion being repaid through construction on behalf of East Bloc trading partners. The rest is owed in hard currency.]

Mr. Vanous argues that the maximum plausible slippage in the accounting is a matter of a few billion dollars, and the Soviet Union has a variety of hard-currency assets that more than offset its likely hard-currency liabilities.

The easiest of these to pin down is the $15 billion the Soviets have on deposit in Western banks, plus gold reserves worth about $28 billion.

Mr. Vanous also calculates that the Soviet Union owns $5 billion worth of hard-currency assets outside the banking system, and has a reasonable chance of collecting another $30 billion on loans with a face value of $60 billion to $65 billion to developing countries.

Mr. Ryzhkov shocked Western analysts by estimating that debt service this year would eat up 60 percent of Soviet export earnings, leaving barely enough cash to pay for imports of badly needed food and industrial machinery.

But that figure almost certainly includes scheduled repayments of short-term debts to banks, cash that is routinely lent back.

By the reckoning of Mr. Vanous, a conservative base for measuring the Soviet Union's ability to service foreign debt is the interest it owes, plus scheduled repayments of long-term debt.

In 1988 this sum amounted to just 21 percent of hard-currency receipts and less than 1 percent of national output.

These percentages put the Soviets in the most select circle of credit risks.

As George Clark, an executive vice president of Citibank, said in an interview with the Public Broadcasting System, "the Soviet Union could double its foreign debt today without raising any kind of concern."

Mr. Clark, of course, is referring to concerns about default, not policy concerns about the political consequences.

One such concern, raised by the producers of the PBS documentary, is whether borrowed funds would be used to finance terrorism or advance Soviet interests in the Third World.

Mr. Vanous and Mr. Clark argue that this is not necessarily relevant. To prevent the Soviet Union from financially supporting groups hostile to the West, it would be necessary to embargo all transactions in which Moscow could obtain hard currency.

The subtler issue, raised by Judy Shelton, a research fellow at the Hoover Institution and the author of "The Coming Soviet Crash," is whether it would serve Western interests to underwrite Soviet reform.

Western capital, she argues, will allow President Mikhail S. Gorbachev to maintain a strong military while he tries to pump life back into the moribund economy.

Sen. Bill Bradley, Democrat of New Jersey, offers a variation on the same theme.

The Soviet Union's economic prospects turn on the political will of its leaders to serve consumers at the expense of heavy industry and the military.

It is no favor to reform-minded Soviets, he argues, to encourage the leaders to postpone the hard decisions with easy credit.

This view, curiously, is close to the current view of the Soviet leadership.

Abel Aganbegyan, the Soviet economist with the highest profile in the West, has lectured tirelessly on the risks of weakening a Soviet sense of self-reliance with a flood of Western consumer goods financed with Western credit.

To Ms. Desai, the switch from a central to a market economy is slower than the Soviets expected, but continuing on a realistic track.

Imported consumer goods would give Moscow a way to cope with inflationary pressures.

Even if Soviet economic reforms are fated to fall short of their goals, she suggests, it may serve Western interests to give Mr. Gorbachev every opportunity to try to make them work.

His perestroika gives a political voice to workers and consumers, whose interests have long been sacrificed in the name of the state.

The more time they have to legitimize their role, she argues, the harder it will be to return to the bad old days.

Soviet Oil Output Lagging

Reuters

MOSCOW — Soviet oil production fell 3 million metric tons short of economic-planning targets in the six-month period ending in June, according to official statistics.

The first-half figures, released on Sunday by the national statistics committee, also showed a developing trade deficit due to a surge in imports of consumer goods.

Details of the statistics released by the committee showed sluggish growth, wage hikes far in excess of production increases and a boost in money supply that is likely to fuel inflation.

The latest figures put oil production in the first half at 304 million metric tons.

First-quarter production stood at 152 million metric tons, a shortfall of 721,000 metric tons.

The trade deficit was put at 1.1 billion rubles ($1.7 billion at the official exchange rate). There was a small export surplus last year.

The Soviet leader, Mikhail S. Gorbachev, has announced a program to purchase imported consumer goods worth 10 billion rubles to make up for chronic shortages in shops.

Hong Kong to Seek a Pledge From Cable TV Operator

Reuters

HONG KONG — The winning bidder for Hong Kong's cable television franchise, due to be announced on Tuesday, will have to pay the government royalties and invest at least five billion Hong Kong dollars ($641 million) over its first seven to 10 years, government officials said Monday.

They said the government would ask the franchise holder to sign a legally binding memorandum of understanding pledging the minimum investment. It will also have to pay an average 10 percent in royalties to the government for every 100 million dollars in sales, the officials said.

The officials estimate initial investment to establish the cable network will be about 4 billion dollars, and the operation and programming will cost between 9.5 billion to 13.5 billion dollars over 10 years.

Yet despite the costs, the franchise is expected to be a highly lucrative one. The winner will be well-placed for a share in the wider telecommunications network in Hong Kong when the monopoly held by Hong Kong Telecommunications Ltd.ends.

According to the officials, business tycoon Li Kashing's Hutchison CableVision consortium stands the best chance of the four groups bidding for the franchise. Hong Kong Cable Communications is also seen as a strong contender.

Hutchison CableVision's shareholders include Hutchison Telecommunications Ltd., a unit of Mr. Li's Hutchison Whampoa Ltd.; British Telecommunications PLC; Swire Pacific Ltd., China International Trust & Investment Corp H.K. (Holdings) Ltd., which is a state-owned China company, and Hongkong & Shanghai Banking Corp.

Hong Kong Cable is led by Wheelock Marden & Co., a subsidiary of the Hong Kong businessman Y.K. Pao's Wharf (Holdings) Ltd. Also represented in the international group are Sun Hung Kai Properties Ltd., U.S. West Inc., Cobitel Belgium and the Shaw Brothers Ltd. film company.

Other bidders are Supertech International Resources Corp. and a consortium led by Sun Hung Kai & Co., which is unrelated to Sun Hung Kai Properties.

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Norway**	N.Kr.	(02) 41 34 89*	2,000	1,276	1,100
Portugal**	Esc.	(01) 80 71 23*	29,000	29,240	16,000
Spain**	Pes.	(91) 401 29 00*	32,000	22,600	17,600
Sweden**	S.Kr.	(08) 21 01 90*	2,000	1,276	1,100
Switzerland	S.Fr.	046 05 68 00	455	455	255
Rest Europe, N. Afr., X-French Africa, Mid. East	$	— —	470	Varies by country	260
Rest of Afr., Gulf St., Asia	$	— —	630		340
Central/Latin America	$	— —	540		295

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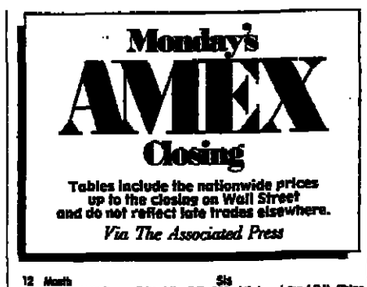
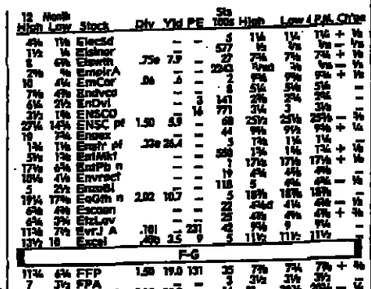
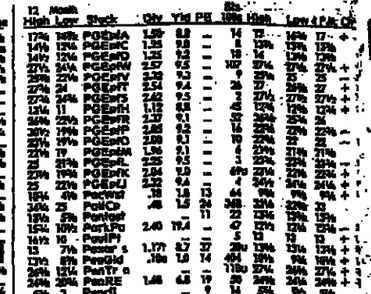
Monday's AMEX Closing

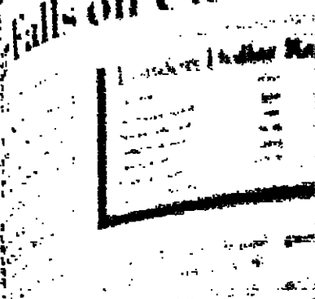
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

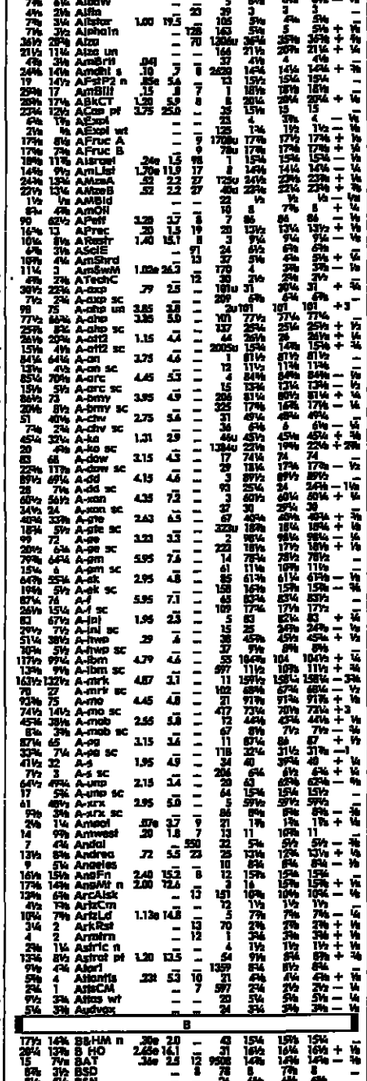
Via The Associated Press

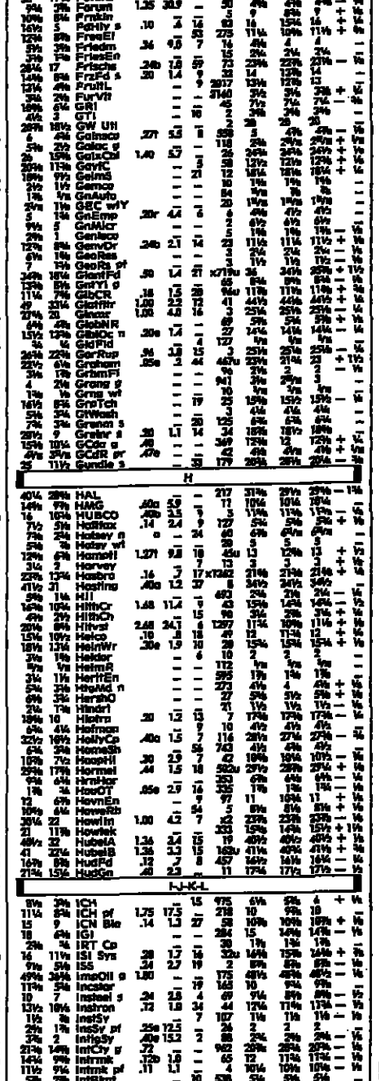


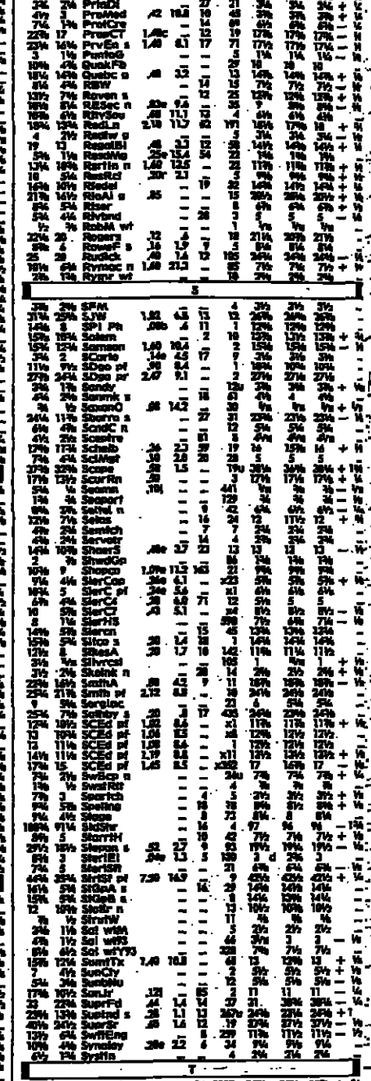


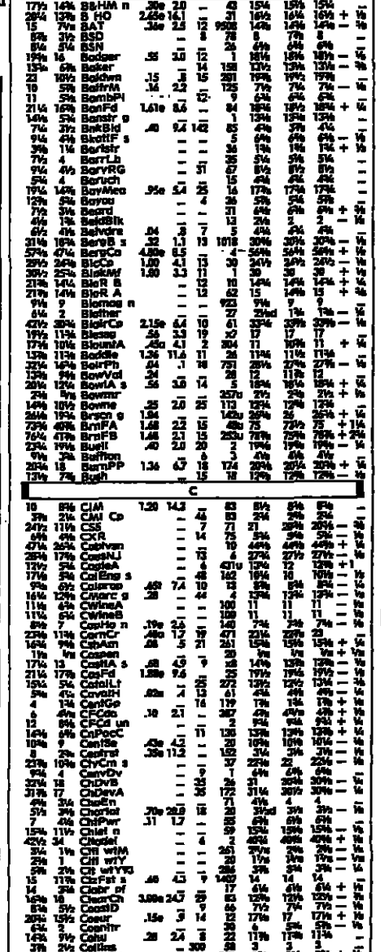


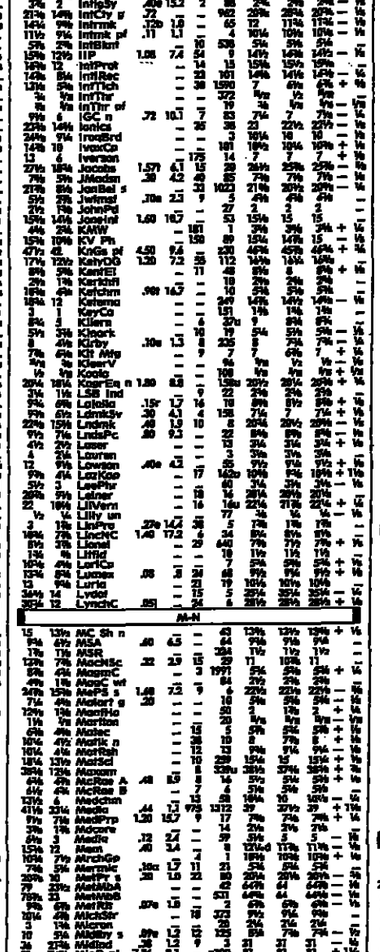


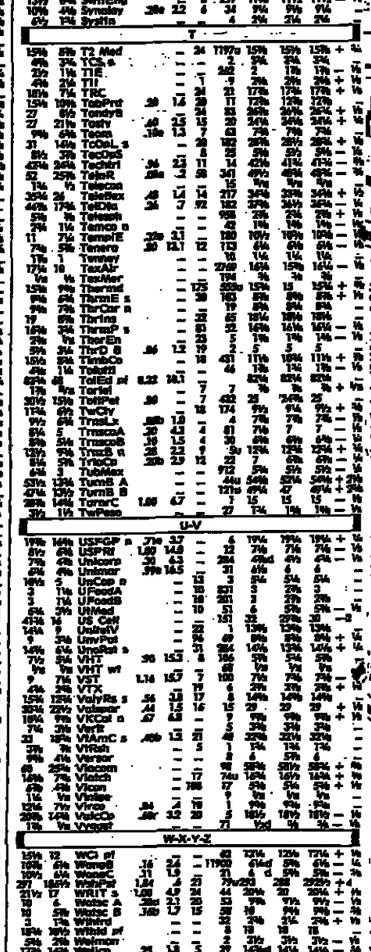


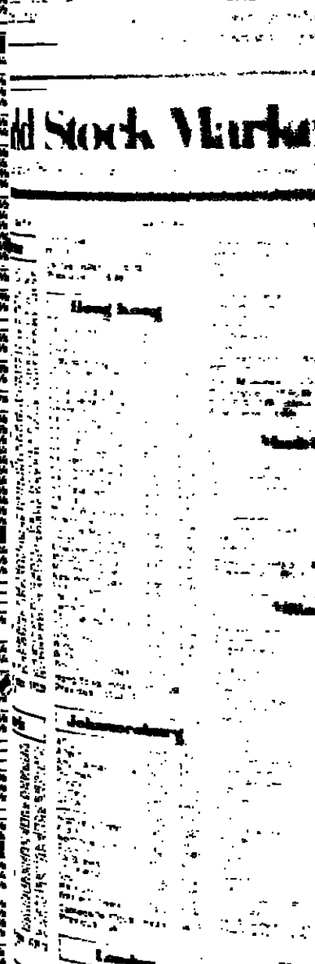


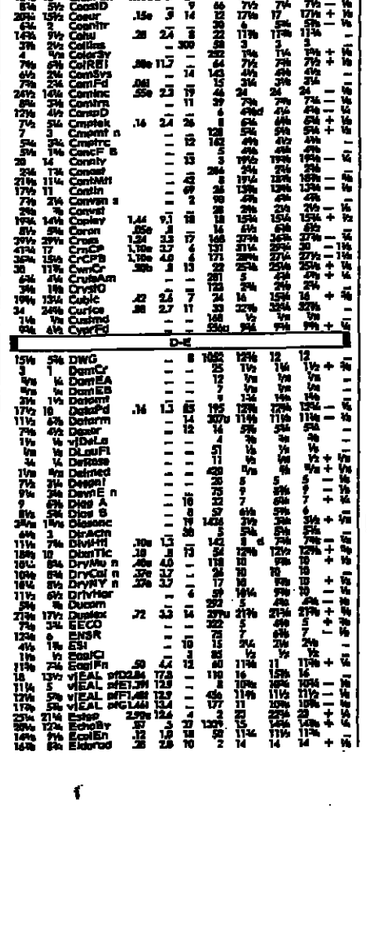


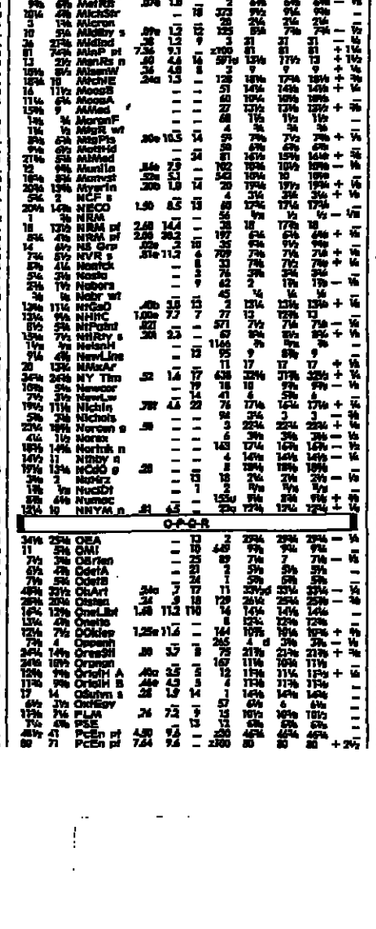


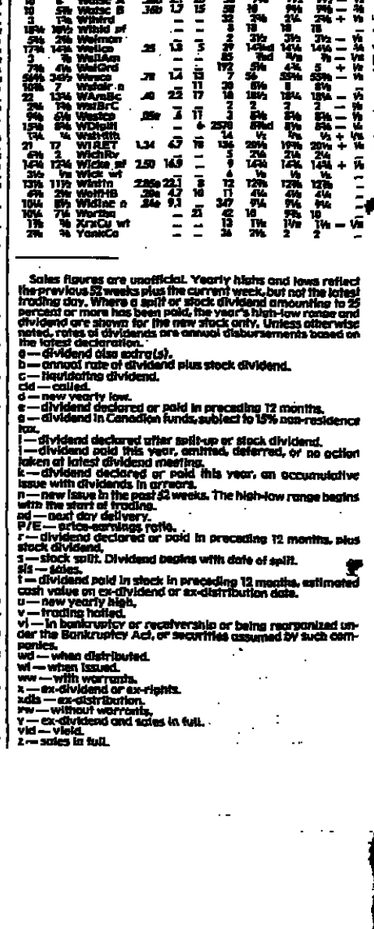












Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
e — dividend in Canadian funds, subject to 15% non-residence tax.
f — dividend declared after split-up or stock dividend.
g — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xds — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

FINANCIAL MARKETS

Dollar Falls on U.S. Prime Rate Cuts

Compiled by Our Staff From Dispatches

NEW YORK — Several leading banks lowered their prime rates on Monday, and the dollar fell as the reality of lower U.S. interest rates filtered through to investors.

Leading the move was the First Bank of Chicago, which lowered its prime rate to 10.5 percent from 11 percent. Chemical Bank, Continental Bank, Morgan Guaranty Trust, Manufacturers Hanover Trust and Citibank quickly followed.

The reductions followed similar moves by Bank of America on Friday and by Chase Manhattan Bank more than three weeks ago. A few smaller banks have cut their prime rates since the move by Chase.

In New York, the dollar closed sharply lower in light trading, fed by expectations of lower interest rates.

Dealers also said they would be closely watching President George Bush's reaction to reports that an U.S. hostage was hanged in Lebanon on Monday.

The reports brought a brief flight into dollars. But by midday the dollar had returned to its earlier weak levels.

The U.S. currency ended at 1.8650 Deutsche marks, down from 1.8805 on Friday, and at 136.970 yen, down from 139.215.

London Dollar Rates

Closing	Mon.	Fri.
Deutsche mark	1.8655	1.8843
Pound sterling	1.6665	1.6430
Japanese yen	136.90	139.50
Swiss franc	1.6065	1.6265
French franc	6.3175	6.4100

Source: Reuters

The British pound gained to $1.6655, from $1.6530.

The dollar fell to 1.6075 Swiss francs, compared with 1.6180, and to 6.3155 French francs, after 6.3650 at the previous close.

Weakness in the market is expected to persist this week, dealers said, ahead of U.S. unemployment data for July due to be reported on Friday.

Nonfarm payrolls are expected to grow 175,000 after an increase of 180,000 in June, further indicating that the U.S. economy is slowing.

Dealers also were awaiting the release Tuesday of National Association of Purchasing Management's July survey on demand for goods.

The prime rate decrease was widely expected by most economists due to continuing signs that the U.S. Federal Reserve is seeking looser credit policies in response to a slowdown in economic growth.

Economists have speculated that major banks had not immediately follow Chase, which cut its prime rate on July 10, partly because they wanted to wait and see whether the Fed would keep pursuing lower interest rates.

"The sentiment in the marketplace was that Chase was too early and everyone else was waiting until the federal funds rate stayed below 9 percent," said Elizabeth G. Reiners, an economist with Dean Witter Reynolds Inc.

The federal funds rate, the interest on overnight loans between banks, was traded at 8 15/16 percent Monday, unchanged from Friday.

The prime rate was 10.5 percent at the start of the year. It was raised twice in February to 11.5 percent, then lowered half a percentage point on June 5. Those movements reflected changing concerns about economic growth and inflation.

Earlier in London, the dollar closed at 1.8655 DM, down from 1.8843 DM on Friday, and at 136.90 yen, down from 139.50 at the previous close.

The pound firmed to $1.6665, after $1.6430.

The dollar also fell to 1.6065 Swiss francs, compared with 1.6265, and slipped to 6.3175 French francs, compared with 6.4100. *(AP, Reuters)*

Phibro Pays Record Sum In Cocoa Case

The Associated Press

WASHINGTON — In a case involving the largest civil penalty of its kind, Philipp Brothers Inc., a New York-based commodity futures trading concern, and three affiliates have agreed to pay $4 million to settle allegations of fraud in cocoa futures contracts, federal regulators said Monday.

Denis Klejna, director of enforcement for the Commodity Futures Trading Commission, said it was the largest civil penalty ever imposed by the regulatory agency.

Philipp Brothers, a wholly owned subsidiary of Solomon Brothers Inc., and others were charged with deceptive practices, including misrepresenting trades by buying or selling futures contracts off the floor of an exchange while indicating that the trades were made on the exchange.

The agency said Philipp Brothers told customers that trades were being handled on the Coffee, Cocoa and Sugar Exchange in New York.

Jordan Eases Dinar Rules

Reuters

AMMAN, Jordan — The central bank partly freed the dinar from its official rate on Monday, in an apparent bid to beat the black market and to encourage expatriate workers to send their dollar earnings home.

The central bank freed banks to trade hard currency at market rates. But it said that they must continue to observe a fixed official rate for public sector imports of basic food, some medicines and the fees of Jordanian students abroad.

The dinar has lost 36 percent of its official dollar value in the past year and 57 percent on the black market because Jordan ran short of foreign exchange to cover its payments deficit. The central bank set its official rate at 576.4 fils to the dollar on Monday, unchanged from Sunday. On the black market the rate was about 850 fils to the dollar. There are 1,000 fils to the dinar.

GERMANY: *OECD Predicts Stronger 1989 Growth*

(Continued from first finance page)
with the United States, where it remains a touchy political issue.

The OECD estimated that the West German surplus would dip slightly, to $78 billion this year from $78.9 billion in 1988, but would then swell to $83 billion in 1990.

The OECD also expects the current-account surplus, which includes services and transfers as well as goods, to swell to $53 billion next year from an estimated $48 billion this year. This will be due in no small part to the widening flow of interest payments and dividends from big recent West German investments in U.S. securities, which have helped Washington finance its budget deficit in recent years.

"The only major shadow in the picture is the current-account problem," said Gabriele Lamers, an economist with Deutsche Bank.

This could well remain the key problem for Bonn in the medium term, because those payments will keep flowing from the United States, and German exports are likely to stay popular as the European Community gears up for its planned single market after 1992.

Roughly 70 percent of West Germany exports are purchased by other West Europeans; investment goods, a specialty of German industry, are in high demand in community countries.

Such goods are especially attractive when a relatively low mark makes them cheaper than they have been for several years. The mark has not been adjusted upward in the European Monetary System for over two-and-a-half years, in spite of the country's strong and relatively inflation-free performance.

"We think that an upvaluation of the mark in the EMS is necessary and long overdue," said Eugen Schuhmair, an economist with Bayerische Hypotheken- und Wechselbank, "but there are political difficulties, especially in France, about making such a move."

The other major problem with any booming economy is the fear that overheating will lead to inflation, requiring the authorities to slam on the brakes.

But for the moment, inflation has settled near 3 percent, and even West Germans with their historical obsession about avoiding inflation seem fairly relaxed. "What is special about this growth phase is that there has been relatively little inflation from 1982 on," said Ernst-Moritz Lipp, chief economist of Dresdner Bank.

Nevertheless, inflation-watchers, though considerably quieter of late, are always to be found.

"It would indeed be ominous if, as in the 1970s, a price-wage spiral were set in motion, which in line with all experience, would sooner or later lead to a recession," said Westdeutsche Landesbank in a recent report. It noted that bottlenecks are beginning to crop up in the manufacturing sector, where orders are at the highest level of the decade and where capacity utilization is as great as it was in the boom of 1973.

Against this background, the country's largest union, IG Metall, will be negotiating new contracts later this year, and already threats of strikes are being voiced in the more combative circles.

It was mainly to give a signal to restless unions and to counteract aggressive wage demands that the Bundesbank raised its key lending rates at the end of last month.

The OECD gave the West German authorities good marks for recent policy management, saying that there was little they could do at this point to adjust international imbalances.

World Stock Markets

Via Agence France Presse Closing prices in local currencies, July 31

Amsterdam

	Close	Prev.
ABN Bank	45.90	46
ACF Holding	49.90	49.50
Aegon	107.20	107.20
Ahold	129.70	130.10
Akzo	144.70	143.60
AMEV	56.50	55.80
A'Dam Rubber	7.40	7.60
Amro Bank	92	91.90
Bols	153.80	152.60
Buhrmann Tett	66.40	66.60
BVG	25.50	25.60
Center Parcs	66.50	67.20
CSM	[illegible]	[illegible]
DAF	[illegible]	55.70
DSM	132	131.10
Elsevier	78.80	78.40
Fokker	46.30	45.70
Gist-Brocades	34.30	34.50
Heineken	136.70	134.80
Hoogovens	110.30	110.60
Hunter Douglas	121.40	121.40
IHC Caland	[illegible]	31.50
Inter Mueller	100.30	100.50
KLM	53.30	52.90
KNP	53.30	52.50
Nat Neder	67.60	66.90
Nedlloyd	90	450.50
NMB Bank	255	245
Oce Grinten	[illegible]	[illegible]
Pakhoed	137.50	137.20
Philips	42.30	42.30
Robeco	109.90	109.40
Rodamco	159.40	159.20
Rolinco	108.40	107.80
Rorento	62.10	62.10
Royal Dutch	142	141.50
Unilever	150.70	150.80
Van Ommeren	45.30	45.40
VMF Stork	36.90	37.30
VNU	100.30	99.80
Wessanen	91	91.50
Wolters/Kluwer	51.40	50.80

ANP-CBS Gen'l Index: 192.20
Previous: 192.10

Brussels

	Close	Prev.
Arbed	6120	6260
Bekaert	13725	13875
Cockerill	368	370
Cobepa	5860	5860
Delhaize	5800	5800
EBES	4550	4495
GB-Inno-BM	1364	1364
GBL	4000	4000
Gevaert	8000	8000
Hoboken	17900	17800
Intercom	3490	3630
Kredietbank	4325	4300
Petrofina	12550	12525
Royal Belge	5470	5490
Soc Gen Baue	6400	6400
Sofina	12525	12525
Solvay	14200	14150
Tractebel	9700	9620
UCB	11600	11600
Unerg Ps	2625	2600

Current Stock Index: 6159.19
Previous: 6133.37

Frankfurt

	Close	Prev.
AEG	205	207.80
Allianz Hldg	2185	2179
Altana Ind	430.50	431
Asko Dt. Kfhs	865	872
BASF	282.50	284.80
Bayer	293.80	294.80
Bay. Hypo bank	[illegible]	451
Bay. Vereinsbank	404.50	408
BBC	[illegible]	[illegible]
BHF	465	462.50
BMW	601.80	609
Commerzbank	282.50	286
Continental	315.70	317
Daimler-Benz	758	759.50
Degussa	473	485
Dt Babcock	198	201.50
Deutsche Bank	680	674.30
Dresdner Bank	369.50	373
Feldmuehle	375	376.50
Harpener	[illegible]	[illegible]
Henkel	547	541
Hochtief	711	725
Hoechst	294	295.80
Hoesch	219.50	220.20
Holzmann	916	918
Horten	284.50	285
Hussel	[illegible]	[illegible]
Ind Wka Karls	[illegible]	[illegible]
Kali Salz	[illegible]	206.70
Karstadt	[illegible]	[illegible]
Kaufhof	515.50	519.50
KHD	187.50	188
Kloeckner Werke	145.50	145
Krupp Stahl	225	229
Linde	768	764.50
Lufthansa	179.50	179
MAN AG	228.50	230.50
Mannesmann	[illegible]	[illegible]
Metallgesell	480	479
Muench Rueck	2480	2470
Nixdorf	357	353.10
PKI	548	555
Porsche	768	767
Preussag	301	303
PWA Papier	[illegible]	[illegible]
RWE	[illegible]	[illegible]
Rheinmetall	[illegible]	[illegible]
Schering	747	747
SEL	326.50	327
Siemens	607	607.50
Thyssen AG	223.50	223.20
Varta	319	321
Veba	320	319
VEW	[illegible]	204
Viag	345.50	346.50
Volkswagen	450	448.30
Wella VZ	619.50	627

Commerzbank Index: 1911.40
Previous: 1912.00
FAZ Index: 658.64
Previous: 659.79

Helsinki

	Close	Prev.
Amer A	145	143
Enso-Gutzeit	36	35
K.O.P.	60.50	60.50
Kymmene	116	117
Nokia	113	113
Pohjola	285	280
Stockmann	264	264

Hong Kong

	Close	Prev.
Utd Paper	117	117
Wartsila	365	375

Unitas Index: 778.50
Previous: 778.80

	Close	Prev.
Bk East Asia	14.80	14.70
Cathay Pacific	8.50	8.70
Cavendish Int'l	2.95	2.97
Cheung Kong	8.20	8.15
China Light Pwr	12.20	11.90
Dairy Farm Int'l	7	7
Hang Lung Dev	4.70	4.47
Hang Seng Bank	21.10	20.60
Henderson Land	4.95	4.72
HK Air Eng.	19.10	19.10
HK China Gas	17.30	17.20
HK Electric Hldgs	7.60	7.40
HK Land Hold.	8.25	8.10
HK Realty Trust	4.80	4.77
HK Shang Bank	5.60	5.40
HK Shai Htls	5.05	5.00
HK Telecomm	4.70	4.45
HK Ferry	4.42	4.42
Hutch Whampoa	8.35	8.35
Hysan Dev	[illegible]	[illegible]
Jardine Math.	19.30	19.20
Jardine Strat Hde	11.40	11.40
Kowloon Motor	7.35	7.30
Mandarin Orient	4.42	4.40
Miramar Hotel	6	5.80
New World Dev	9.80	9.50
SHK Props	10.30	9.75
Stelux	2.22	2.15
Swire Pac A	16.10	15.60
Tai Cheung Prps	4.27	4.17
TVE	0.99	0.99
Wharf Hold.	8.60	8.40
Wing On Co	7.58	6.95
Winsor Ind.	8.55	8.65
World Int'l Hdgs	3.70	3.67

Hang Seng Index: 2571.08
Previous: 2526.75

Johannesburg

	Close	Prev.
AECI	2000	1950
Altech	8200	8200
Anglo Amer Corp	9875	9725
Barlows	4350	4325
Blyvoor	1100	1125
Buffels	4900	4800
GFSA	8250	8150
Harmony	2000	2025
Highveld Steel	1895	1880
Kloof	3500	3475
Nedbank Grp Ltd	880	880
Rusplat	6575	6575
SA Brews	2525	2525
St Helena	3180	3100
Sasol	1290	1270
Welkom	2145	2150
Western Deep	13850	13750

Composite Stock Index: 2675
Previous: 2677

London

	Close	Prev.
Allied Lyons	520	524
Am Gold	41.87	41.87
Anglo Amer Corp	13.93	14.00
Assoc Brit Foods	[illegible]	[illegible]
Asda-MFI Gp	[illegible]	[illegible]
Barclays Plc	513	507
Bass	10.59	10.63
B.A.T.	[illegible]	[illegible]
Beecham Grp	N.Q.	643
Blue Circle	[illegible]	[illegible]
Boc Group	[illegible]	[illegible]
Boots	[illegible]	[illegible]
Bowater Ind.	[illegible]	[illegible]
British Aerospace	[illegible]	[illegible]
British Airways	[illegible]	[illegible]
British Gas	[illegible]	[illegible]
British Petroleum	[illegible]	[illegible]
British Telecom	[illegible]	[illegible]
BTR	[illegible]	[illegible]
Burmah Oil	[illegible]	[illegible]
Cable Wireless	[illegible]	[illegible]
Cadbury Schwep	[illegible]	[illegible]
Charter Cons.	[illegible]	[illegible]
Commerc. Union	[illegible]	[illegible]
Cons Gold Fields	14.48	14.48
Courtaulds	[illegible]	[illegible]
Dalgety	[illegible]	[illegible]
De Beers	14.25	14.17
Dixons	[illegible]	[illegible]
Driefontein	16.38	16.25
Fisons	[illegible]	[illegible]
Freegold	8.25	8.37
Gateway	[illegible]	[illegible]
Gen Accid Fire L	[illegible]	[illegible]
Gen'l Electric	[illegible]	[illegible]
GKN	[illegible]	[illegible]
Glaxo	13.50	13.50
Grd Metropol Plc	[illegible]	[illegible]
Great Univ Stores	[illegible]	16.88
Guard Rvl Ex	[illegible]	[illegible]
Guinness Plc	[illegible]	[illegible]
Hanson Tr Plc	[illegible]	[illegible]
Hawker Siddeley	[illegible]	[illegible]
ICI Plc	12.90	12.57
Jaguar Plc	[illegible]	[illegible]
Kingfisher	[illegible]	[illegible]
Land Sec Plc	[illegible]	[illegible]
Legal Gen Grp	[illegible]	[illegible]
Lloyds Bank Plc	[illegible]	[illegible]
Lonrho Plc	[illegible]	[illegible]
Lucas Ind Plc	[illegible]	[illegible]
Marks Spencer	[illegible]	[illegible]
Maxwell Comm	[illegible]	[illegible]
MB Group New	[illegible]	[illegible]
Midland Bk Plc	[illegible]	[illegible]
Nat Westm Bank	[illegible]	[illegible]
Pearson Grp	[illegible]	[illegible]
P and O	[illegible]	[illegible]
Pilkington	[illegible]	[illegible]
Plessey	[illegible]	[illegible]
Prudential Corp	[illegible]	[illegible]
Racal Electronics	[illegible]	[illegible]
Randfontein	47.50	48.50
Rank Org	[illegible]	[illegible]
Reed Intl	[illegible]	[illegible]
Reuters	[illegible]	[illegible]
Rolls Royce	[illegible]	[illegible]
Royal Dutch	40.43	40.50
RTZ Corp	[illegible]	[illegible]
Saatchi	[illegible]	[illegible]
Sainsbury	[illegible]	[illegible]
Sears Hdgs	[illegible]	[illegible]
Shell	[illegible]	[illegible]
STC Plc	[illegible]	[illegible]
Std Chart Bank	[illegible]	[illegible]
Storehouse	146	146

Madrid

	Close	Prev.
Sun Alliance	[illegible]	[illegible]
Tate and Lyle	[illegible]	[illegible]
Tesco	[illegible]	[illegible]
Thorn Emi	[illegible]	[illegible]
T.I. Group	[illegible]	[illegible]
Trafalgar House	[illegible]	[illegible]
Trusthse Forte	[illegible]	[illegible]
Ultramar	[illegible]	[illegible]
Unilever	[illegible]	[illegible]
Utd Biscuits	[illegible]	[illegible]
Vickers	[illegible]	[illegible]
War Loan 3½%	38 21/32	38 17/32
Wellcome	[illegible]	464

F.T. 30 Index: 1972.10
Previous: 1974.20
F.T.S.E. 100 Index: 2297
Previous: 2298

	Close	Prev.
Bco. Bilbao/Viz.	1065	1045
Bco. Central	1021	1015
Bco. Santander	834	827
Banesto	1095	1090
CEPSA	470	479
Dragados	418	410
Hidroelec. Esp.	441	449
Iberduero	119.87	119.37
Telefonica	192	188.87

General Index: 303.93
Previous: 302.23

Milan

	Close	Prev.
Banca Comm	5180	5118
Bastogi	400.50	405
Ciga Hotels	4650	4624
CIR	6160	6180
Cred Ital	2779	2729
Eridania	6960	7050
Ferruzzi Fin.	3225	3250
Ferruzzi Agr.	2900	2840
Fiat SPA	11105	11200
Generali	44950	44650
IFI	23380	23250
Italcem	12540	12520
Italgas	2270	2215
Italmobiliare	18660	18550
Mediobanca	25000	25000
Montedison	2411	2410
NBA	1880	1849
Olivetti	9540	9400
Pirelli	3729	3730
RAS	30500	30400
Rinascente	6310	6320
Saipem	2720	2720
SIP	3330	3270
SME	4039	3969
Snia	3110	3135
Standa	26985	26985
Stet	4687	4678
Toro Assi Risp	22730	22650

a: x100
MIB Index: 1145
Previous: 1144

Paris

	Close	Prev.
Accor	737	739
Air Liquide	613	619
Av Dassault	660	670
Bancaire	622	622
BIC	740	725
Bongrain	3170	3230
Bouygues	734	737
BSN-GD	748	752
Carrefour	3538	3540
Cerus	444.50	448
C.G.E.	448	N.A.
Chargeurs	1145	1179
Club Med	660	665
Dumez	1120	1132
Elf-Aquitaine	506	512
Europe 1	840	839
Gen. Eaux	2164	2175
Hachette	422.10	425.10
Havas	1026	1045
Imetal	355	351.10
Lafarge Coppee	1715	1721
Legrand	3985	3975
Oreal (L')	4577	4590
L.V.M.H.	4210	4199
Matra	372.50	379
Merlin Gerin	4660	4679
Michelin	179.50	N.A.
Moulinex	143.70	145
Occidentale	[illegible]	[illegible]
Paribas	[illegible]	[illegible]
Pernod-Ricard	1470	1471
Perrier	1652	1642
Peugeot	927	935
Printemps (Au)	790	800
Radiotechnique	573	573
Raff. St. Louis	1345	1378
Redoute (La)	3900	3900
Roussel Uclaf	1831	1825
Saint Gobain	630	N.A.
Sanofi	965	975
Skis Rossignol	1200	1201
Societ. Generale	537	N.A.
Suez	363.50	N.A.
Telemecanique	3600	3573
Thomson-CSF	212.90	217.70
Total	514	518
Valeo	838	840

Bourse Trend Index: — 0.49%
Previous: + 0.77%

Sao Paulo

July 28

	Close	Prev.
Banco do Brasil	0.61	0.61
Bradesco	0.18	0.18
Brahma	0.94	0.94
Paranapanema	0.07	0.07
Petrobras	2.34	2.23
Vale	0.74	0.77

Bovespa Index: 12361
Previous: 12164

Singapore

	Close	Prev.
Cerebos	5.20	5.20
City Dev.	4.76	4.72
DBS	10.90	10.90
Fraser Neave	10.20	10.10
Genting	6.25	6.20
Harrisons Plant	1.70	1.71
Haw Par	3.22	3.20
Hume	2.15	2.14
Inchcape	6.25	6.35
Keppel	5.20	5.10
KL Kepong	3.16	3.22
Lum Chang	1.40	1.42
Malayan Banking	7.10	6.95
OCBC	10.30	10.20
OUB	4.52	4.44
OUE	8.35	8.30
Sembawang	5.05	4.98
Shangri-la	8.05	7.95
Sime Darby	3.30	3.28
SIA	14.80	14.60
S'pore Land	13.20	13.70
S'pore Press	8.80	8.75
Sing Steamship	2.10	2.05
Straits Trading	4.30	4.20
UOB	5.80	5.80
United Overseas	2.61	2.61

Straits Times Ind.: 1372.29
Previous: 1370.14

Stockholm

	Close	Prev.
AGA	255	255
Alfa Laval	715	705
Asea	605	604
Astra -A	324	324
Atlas Copco	362	355
Electrolux B	356	350
Ericsson	400	404
Esselte-A	240	240
Handelsbanken	192	191
Pharmacia-A	215	210
Norsk Hydro	150.50	153
Saab-Scania	151	150
Sandvik	155	148
SCA-A	145	141
S-E. Banken	117	115
Skandia Int-A	250	250
Skanska	595	575
SKF	176	173
Stora	400	400
Swedish Match B	121	120
Volvo	486	480

Affaersvaerlden: 1282.90
Previous: 1288.20

Sydney

	Close	Prev.
ANZ	4.98	5
BHP	9.74	9.64
Boral	3.83	3.80
Bougainville	1.93	1.93
Coles Myer	8.56	8.56
Comalco	3.85	3.93
CRA	9.42	9.40
CSR	4.48	4.44
Dunlop	4.52	4.90
Elders IXL	3	2.96
ICI Australia	6.16	6.10
Magellan	1.92	1.90
MIM	2.31	2.34
Nat Aust Bank	6.22	6.16
News Corp	17.10	16.70
N Broken Hill	2.76	2.71
Poseidon	4.20	4.20
QCT Resources	1.50	1.50
Santos	3.80	3.80
Thomas Nation	3.72	3.60
Western Mining	6.02	6.04
Westpac Banking	5.10	5.02
Woodside	2.70	2.65

All Ordinaries Index: 1634.20
Previous: 1636.90

Tokyo

	Close	Prev.
Akai Electr	760	756
Asahi Chemical	1290	1290
Asahi Glass	2380	2380
Bank of Tokyo	1720	1720
Bridgestone	1710	1700
Canon	1710	1680
Casio	1080	1090
C. Itoh	1080	1080
Dai Nippon Print	2270	2240
Daiwa House	2680	2660
Daiwa Securities	2340	2340
Fanuc	6650	6650
Fuji Bank	3640	3550
Fuji Photo	4230	4230
Fujitsu	1610	1600
Hitachi	1650	1650
Hitachi Cable	1500	1490
Honda	2030	1990
Ito Yokado	6310	6220
Japan Air Lines	17300	16900
Kajima	2000	2000
Kansai Power	5050	4840
Kawasaki Steel	954	950
Kirin Brewery	2000	2030
Komatsu	1310	1300
Kubota	1280	1280
Kyocera	5990	5950
Matsu Elec Inds	2550	2540
Matsu Elec Wks	2150	2170
Mitsubishi Bk	3350	3330
Mitsubishi Kasei	1110	1090
Mitsubishi Elec	1150	1150
Mitsubishi Hev	1250	1260
Mitsubishi Corp	1680	1630
Mitsui and Co	1170	1170
Mitsukoshi	2250	2280
Mitsumi	1000	999
NEC	1920	1920
NGK Insulators	1680	1660
Nikko Securities	1870	1840
Nippon Kogaku	1530	1510
Nippon Oil	1530	1490
Nippon Steel	877	874
Nippon Yusen	1130	1110
Nissan	1540	1530
Nomura Sec	3370	3350
NTT (Fr Suisse)	19400	18500
Olympus Optical	1500	1480
Pioneer	3730	3700
Ricoh	1260	1260
Sanyo Elec	965	950
Sharp	1440	1450
Shimazu	1600	1590
Shinetsu Chem	1900	1890
Sony	7720	7700
Sumitomo Bk	3720	3630
Sumitomo Chem	945	948
Sumi Marine	1540	1530
Sumitomo Metal	844	838
Taisei Corp	1770	1770
Taisho Marine	1520	1520
Takeda Chem	2690	2650
TDK	5820	5800
Teijin	984	981
Tokyo Marine	2160	2160
Tokyo Elec Pw	6330	6130
Toppan Printing	1930	1970
Toray Ind.	1030	1020
Toshiba	1380	1370
Toyota	2580	2580
Yamaichi Sec	1900	1890

Nikkei 225: 34953
Previous: 34785
New Index: 2628
Previous: 2606

Zurich

	Close	Prev.
Adia	8500	8450
Alusuisse	1420	1390
Bank Leu	3250	3225
Brown Boveri	4600	4500
Ciba Geigy	4200	4200
Credit Suisse	2745	2710
Electrow	3120	3100
Fischer	1900	1940
Interdiscount	4450	4450
Jacob Suchard	7850	7825
Jelmoli	2650	2600
Landis Gyr	1110	1100
Moevenpick	5400	5300
Nestle	8090	8000
Oerlikon-B	1165	1175
Pargesa Hld	1870	1870
Roche Holding-B	19175	18875
Sandoz	2250	2215
Schindler	6200	6200
Sulzer	437	440
Surveillance	5450	5400
Swissair	1175	1165
SBC	372	376
Swiss Reinsur	2160	2170
Swiss Volksbank	1855	1875
Union Bank	3820	3910
Winterthur	4875	4900
Zurich Ins	2285	2270

S.B.C. Index: 679.20
Previous: 678.50

Toronto *July 31*

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
10420	Abti Prce	$17	16¾	17	+ ¼
4800	Agnico E	$9¾	9¾	9¾	+ ¼
173195	Air Canada	$12⅞	12⅝	12¾	— ⅛
13841	Alt Energy	$19⅝	19¼	19¼	
4130	Alta Nat	$17⅞	17¾	17¾	
99520	A Barick	$30⅝	29⅜	29⅞	— ⅜
4900	Atco I f	$10⅝	10½	10½	
189932	BCE Inc	$41⅝	41¼	41¼	— ¼
21594	BCED	276	275	275	
21650	BC Gas	$15⅝	15½	15½	
9100	BP Canada	$17⅞	17¾	17⅞	
136100	Bl Bk Nkll	220	195	202	—17
182355	Bank N S	$19⅝	19	19⅝	+ ⅛
350	Baton	$13⅜	13⅜	13⅜	
14325	BCE Mobl	$31⅜	31	31	— ⅜
1500	Bralorne	31	31	31	+ 1
6203	Bramalea	$35	34⅞	35	
26609	BC Phone	$17⅞	17½	17¾	— ⅛
8700	Brunswk	$11⅛	11	11⅛	
403460	CAE	$13⅞	13¾	13¾	— ⅛
40000	CCL A	$12	12	12	
2350	CCL B f	$11⅞	11¾	11¾	— ⅛
2000	Cambior	$13⅞	13⅝	13⅝	— ⅛
13095	Campeau	$16⅝	16¼	16⅝	+ ⅛
35581	C Nor West	$8⅞	8¾	8¾	
4860	C Packrs	$14⅝	14⅜	14⅜	+ ⅛
119844	Cl Bk Com	$31⅝	31⅜	31⅝	— ⅛
1945	CP Forest	$42½	42	42½	
823080	CP Ltd	$28⅛	27½	27⅝	+ ⅜
183188	CTire A f	$24⅞	24⅝	24⅝	— ⅜
450	C Util B	$22	22	22	+ ⅛
16828	Cantor	$28⅝	28	28⅛	— ⅛
300	Cara	$18⅞	18¾	18¾	
1100	Celanese	$30⅞	30¾	30¾	
800	Celanes 1 p	$28⅛	28	28	
1371	Cntrl Cap	$12⅞	12¾	12¾	
400	CHUM	$23	23	23	
20150	Cineplex	$14	13⅞	13⅞	— ½
584086	Corona A f	$7⅞	7½	7⅝	+ ⅛
4300	Crownx	$13⅛	13	13⅛	+ ¼
5900	Denison A p	$5⅝	5⅝	5⅝	
6215	Denison B f	$5⅝	5½	5⅝	— ⅛
14600	Derian	$12⅞	12¾	12⅞	— ⅛
992	Dickensn A f	$5½	5⅜	5½	+ ⅛
217967	Dofasco	$27⅛	26⅝	26⅞	— ⅛
200	Donohue B	$13	13	13	— ⅛
2800	Du Pont A	$27⅝	27⅜	27⅝	+ ⅛
55400	Dylex A f	$11½	11½	11½	
1799	Emco	$12	11¾	12	
16408	Equity Svr A	415	405	410	
1800	FCA Intl	$9½	9⅜	9½	+ ¼
25205	FPI Ltd	$7⅞	7⅝	7¾	
174022	Ficnbrdge	$29⅝	29⅜	29⅝	+ ⅛
30275	Fed Ind A	$16	15⅞	15⅞	— ⅛
4658	Fed Pion	$13⅝	13½	13⅝	+ ⅛
1000	F City Fin	$33	32½	33	+ 2
1340	Flet CCan A	$18⅝	18½	18½	
13880	Flet C Inv	$21⅞	21½	21⅝	
266	Genstis A	$21⅝	21⅝	21⅝	
100	Gibraltar	$9¾	9¾	9¾	+ ⅛
17300	Goldcorp f	400	390	390	— 5
1853	Hayes D	$15	15	15	
18900	Hees Intl	$30⅝	30¼	30¼	— ⅛
24937	Hemlo Gld	$15	14¾	14¾	— ⅛
8693	Hollinger	$14⅞	14¾	14¾	— ⅛
31082	H Bay Co	$32	31¾	32	+ ⅛
29732	Imasco L	$39⅝	39⅛	39⅝	+ ⅜
7925	Interhome	$50	49⅝	49⅝	— ⅛
1900	Ipsco	$17⅝	17⅜	17⅜	+ ⅛
300	Iveco B	$17½	17½	17½	— ⅛
12680	Jannock	$19⅝	19⅜	19⅜	— ⅛
2800	Kerr Add	$20	19⅞	20	+ ⅛
39189	Labatt	$26⅝	26⅜	26⅜	+ ⅛
1750	Loblaw Co	$14⅝	14½	14½	— ⅛
54515	Magna A f	$13	12⅞	12⅞	— ⅛
1200	MDS H A	$24⅝	24⅝	24⅝	
35850	Mclan H X	$13⅝	13⅜	13⅜	
12363	Maritime f	$18	17½	18	+ ⅜
7013	Mark Res	$9⅞	9½	9½	— ⅛
45575	Minnova	$19⅝	19	19⅝	+ ½
12889	Molson A f	$37⅛	36⅝	36⅝	— ½
5224	Molson B	$37⅝	37⅛	37⅝	
119125	Noranda F	$14⅝	14½	14⅝	+ ⅛
243348	Noranda I	$25⅝	24⅞	25	+ ⅛
1835	Norcen	$27	26⅞	27	
243924	Nova Cor f	$10½	10⅜	10⅜	
11100	Nowsco W	$14⅝	14½	14½	
8300	Onex C f	$15⅞	15½	15¾	
88010	Oshawa A f	$31⅛	30⅞	30⅞	— ⅛
66256	PWA Corp	$17⅞	17	17⅛	
4800	Pamour	$6⅛	6	6⅛	+ ⅛
3800	PanCan P	$29	28⅞	29	+ ⅛
125164	Placer Dm	$17⅞	17⅝	17⅝	— ⅛
16300	Poco Pete	$9	8⅞	9	+ ⅛
223134	Que Sturg o	125	120	120	
3900	Rayrock f	$8⅝	8⅝	8⅝	— ⅛
4562	Renisanc	$18⅝	18½	18⅝	+ ⅛
3460	Rogers B f	$120	119⅝	120	— ⅛
236	Roman	$12	12	12	
200	Rothmn	$63⅝	62⅝	63⅝	
56652	Royal Bnk	$47⅝	47	47⅝	+ ⅛
18389	Ry Trco	$18⅝	18⅜	18⅝	
17042	Sceptre R	490	485	490	
2100	Scotts f	$18⅝	18½	18½	— ⅛
12102	Sears Can	$15⅝	15½	15⅝	+ ⅛
3200	SHL Systm	$10⅝	10½	10½	
8408	Shell Can	$44	43⅞	44	+ ⅛
1156	Sherritt	$12⅝	12½	12½	
73945	Southam	$35	34⅝	34⅝	
14125	Spar Aero f	$13	12⅝	13	+ ⅛
130240	Stelco A	$22⅞	22⅝	22⅝	— ⅛
47546	TCC Bev	$11⅜	11	11⅛	+ ⅛
26348	Teck B f	$22⅞	22	22⅝	+ ⅛
209286	ThomCor	$19⅞	19½	19½	— ⅛
120825	Tor Dm Bk	$22⅝	22⅜	22⅝	— ⅛
3730	Torstar B f	$37⅝	37⅛	37⅝	— ⅛
225	Trns Mt	$15⅝	15⅝	15⅝	— ⅛
39928	TrnAlta U	$15⅛	14⅞	15	+ ⅛
58354	TrCan PL	$15⅝	15	15⅛	— ⅛
4634	Trimac	470	465	470	— 5
8000	Trilon A	$21⅞	21⅝	21⅞	+ ⅛
3820	Trizec A f	$27⅛	27⅛	27⅛	
455300	Turbo	67	64	65	— 3
3000	Unicorp A f	$7⅛	7	7⅛	+ ⅛
300	Un Carbid	$24⅝	23⅞	24⅝	+ ⅛
8640	U Enterise	$10⅝	10½	10½	
6500	U Keno	350	340	350	
1964	Westmin	$9⅝	9⅛	9⅛	
18825	Weston	$42⅝	42⅜	42⅝	+ ⅛
18347	Woodwd A	400	370	375	—20

Total sales 28,666,986 shares

	Close	Previous
TSE 300 Index:	3,970.75	3,966.78

Montreal *July 31*

Sales	Stock	High	Low	Close	Chg.
90641	Bank Mont	$35⅝	34⅞	35⅝	+ ½
2840	BombrdrA	$16	15⅞	15⅞	— ⅛
71167	BombrdrB	$15⅝	15⅜	15⅜	— ⅛
100	CB Pak	$19	19	19	— ⅛
12723	Cascades	$06⅞	06⅝	06⅞	
22262	DomTxtA	$17⅝	17	17⅛	— ⅛
35300	Memotec	$10	09⅞	10	
37093	NatBk Cda	$15⅝	15	15	— ⅛
24800	Noverco	$12⅞	12⅝	12⅞	+ ⅛
98464	Power Corp	$16⅝	16½	16⅝	+ ⅛
14874	Provigo	$10⅝	10½	10⅝	+ ⅛
5210	SteinbrgA	$51⅝	50⅞	51⅝	
19072	Videotron	$19⅝	19⅜	19⅜	⅛

Total Sales 6,063,787 shares.

	Close	Previous
Industrials Index:	1,701.74	1,704.36

The Daily Source for International Investors.
Herald Tribune

Monday's NASDAQ Prices

Prices as of 4 p.m. New York time.
This list, compiled by the AP, consists of the 1,800 most traded securities in terms of dollar value. It is updated twice a year.
Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SPORTS

Is Rose a Chronic Gambler? Evidence Says Yes

By Bill Brubaker
Washington Post Service

WASHINGTON — Pete Rose has testified under oath that he bet on football and basketball games but never on major league baseball games. Why would baseball's all-time leading hitter, who now manages the Cincinnati Reds, risk his reputation by betting through an illegal bookmaker?

"It was more of a convenience than anything," Rose said in an interview. "I would love, if I bet on Monday Night Football, to be close to [Las] Vegas where I could go do it legally. But unfortunately it's too much to pay for an airplane to go there every damn Monday night."

Did Rose believe it was right, betting through a bookmaker?

"If I'm not mistaken, there's a lot of money bet through bookmaking," he said. "So I'm not the only one who's doing something wrong."

So betting with an illegal bookie is wrong?

Silence. Long pause.

"Well, I'd guess I'd have to say it is if it's illegal," Rose said. "You're not supposed to do it."

He was alone with a reporter in a dugout at Cincinnati's Riverfront Stadium, two hours before a recent game. He insisted, as he had for several weeks, that he has never bet on baseball. "Never bet on baseball, never bet on the Cincinnati Reds," he said, looking straight into the reporter's eyes. "And no volumes [of documents] are ever going to prove that I did."

A four-month investigation by baseball's special counsel, John Dowd, concluded that Rose bet on baseball and bet on the Reds, an offense that carries a lifetime suspension from the sport.

In a two-part report, The Washington Post will examine the fast-track, fast-buck life of the man who set many records while earning the nickname Charlie Hustle. The report is based on an examination of 2,500 pages of documents produced by the Dowd investigation, a review of five books Rose authored or co-authored about himself, and interviews over the last three weeks with Rose, members of his family, present and former associates and a one-time bookmaker who said he accepted bets from Rose.

Dowd, in a 225-page report submitted to the commissioner of major league baseball, A. Bartlett Giamatti, portrayed Rose as a habitual gambler who attempted to conceal his baseball betting and his "enormous gambling indebtedness."

Rose, sitting in the dugout, called the report "a hatchet job" and scoffed at a suggestion that he may be addicted to gambling. "I don't abuse gambling; I don't abuse my job," Rose said. "I get a big kick out of people who think I'm a chronic gambler. I'm not."

□

Rose, as a teen-ager in the 1950s, accompanied his father to River Downs Race Track near their home in Cincinnati. "His daddy was a $2 bettor," Rose's mother, LaVerne Rose Noeth, recalled. "And if he had a 'sure thing,' he might bet $5. And when I used to go with him, I'd bet my little $2."

After graduating from high school in 1960, Rose signed with the Reds, who held their spring training in Tampa, Florida, a parimutuel wonderland. By the late 1960s Rose had established himself as the National League's leading hitter — and, by some accounts, handicapper.

"For relaxation, I sneak away to the track," Rose wrote in a 1974 autobiography. "I prefer the thoroughbreds . . . At night, if I feel up to it, I'll take in the dogs or the jai alai. The big trouble with it all" is that the fans "never leave you alone . . . and I can't handicap the race."

That problem was resolved at Tampa Bay Downs in Florida and at Turfway, formerly Latonia, Park in Kentucky when Rose was given a private betting room. "So I'm not hounded," he said. Rose further ensured his privacy by enlisting friends to place his bets at the parimutuel windows.

"You have to understand something," Rose told Dowd. "If I go to a race track . . . everybody at the damn track knows who I am." And, he added, everybody thinks he has inside betting information, "and I don't." So, he said, "Just to eliminate a bunch of bull, so to speak, you just let someone else" place the bets.

Rose's favorite "runner" was Arnie Metz, a former groundskeeper for the Reds. For Metz's trouble, Rose said, he normally gave him 15 percent of his winnings. Metz told a baseball investigator that Rose wagered between $800 and $1,200 on a race. Metz said he routinely collected Rose's winnings.

Such was the case Jan. 25 at Turfway Park, when Rose and a friend, the track's owner, Jerry Carroll, won a Pik Six bet that paid $265,669. Rose said he told Metz to cash the winning ticket because "I don't want people to know I hit it." Metz told a baseball investigator that he cashed the ticket without disclosing "Pete's name or Jerry's name."

IRS rules require race tracks to withhold, for federal taxes, 20 percent of any winnings that exceed $1,000 — if the payout is at least 300 times the amount of the wager. A "runner" can collect the winnings but he must disclose on IRS Form 5754 the name of the bettor he represents.

Rose initially told reporters he had not won the Pik Six, and, according to Dowd, he repeated the denial at a Feb. 20 meeting with Giamatti, then president of the National League, and Peter Ueberroth, commissioner at the time.

After taxes were withheld, Rose later told Dowd, he received $109,000 as his half-share of the winnings. He said he gave Metz about $7,500 and put the rest in a satchel, which he carried to spring training. While in Florida, Rose said, he put some of his winnings into losing bets at Gulfstream Park, north of Miami.

□

Rose also used "runners" when he bet on team sports, according to the Dowd report. The middlemen were identified as Paul Janszen, a bodybuilder; Tommy Gioiosa, a former college baseball player who met Rose in the late 1970s, and Mike Bertolini, a memorabilia and baseball-card show promoter from Brooklyn, New York.

The report said Rose "befriended, entertained, and promoted the businesses" of these middlemen "and through this arrangement protected his betting from public exposure." Sports betting is legal only in Nevada; although bettors are rarely prosecuted, their offense is punishable under federal law, if the bet was placed in another state, by a maximum fine of $10,000 and-or two years in prison.

Janszen, who recently served four months in a halfway house for filing a false tax return, cooperated with the Dowd probe. Bertolini and Gioiosa declined to be interviewed by investigators. A lawyer for Bertolini, Tom Smith, said he had advised his client not to make any comments. Gioiosa, who is under a federal indictment for tax evasion and conspiracy to distribute cocaine, could not be reached for comment.

The key witness against Rose, former bookmaker Ron Peters, told Dowd he accepted an estimated $1 million in baseball, football and basketball bets from Rose, usually through Gioiosa or Janszen. Rose said he met Peters only once and never knew he was a bookmaker. Peters, from Franklin, Ohio, is serving a two-year sentence for drug- and tax-related offenses.

During seven hours of testimony April 20-21, Rose told Dowd he wagered only on college and pro football and basketball games and only through Gioiosa. Under questioning, Rose sketched out his betting routine in some detail.

He said that during the National Football League season he gave his bets to Gioiosa on Sunday mornings. He said he did not give him any money — he always bet on credit — or ask him the name of their bookmaker. "That wasn't my business," Rose said.

Rose said he bet $1,000 on each game he liked. But if the hometown Bengals were playing on TV, he said, he wagered $500 "just to root for them," even if he didn't "like" the game.

Rose said he especially enjoyed betting on Monday Night Football. "That's a big night, Monday night," he said. "It's a fun night." Rose said he would give Gioiosa his bet an hour and a half before the game.

On Tuesdays, Rose normally would "settle up" with Gioiosa. "I give him the money and then he does whatever he's supposed to do with the money," Rose said.

During the basketball season, Rose would bet on college and pro games, but only if they were televised in Cincinnati or if his satellite dish could pull them in. "I like to watch sports on TV and I like to bet them if I'm watching them," he said, adding that "hell, I've got a $25,000 television unit at home. I get everything."

In early '87 Rose, said he, lost $34,000 betting on the Super Bowl football game and on what he described as "a hell of a lot of" college basketball tournament games. "I had a bad streak," he said.

When he didn't pay that debt immediately, Rose said, he was told by Gioiosa that a bookmaker had threatened to "burn my house down and break my kids' legs if I didn't pay him." Rose said he didn't think the bookie, never identified, was serious. "Oh, those guys are all talk," he said. But he directed his lawyer-agent, Rueven Katz, who helps oversee his financial affairs, to send a $34,000 check to Gioiosa.

Janszen told Dowd that Rose "never had enough money" to settle his gambling debts. "He used to tell me the reason was he couldn't go to Reuven Katz and ask for it" because "if he went to Rueven, Reuven would find out the extent of his gambling."

For almost a year, Janszen seems to have had a close relationship with Rose. If he wasn't at Rose's house watching TV, he was traveling with him to a baseball-card show or was with him in Rose's office in Riverfront Stadium.

When Rose and Janszen were apart, they kept in touch by phone. Over a two-month period during the '87 season, for example, Janszen called Rose's office 39 times, according to the Reds' telephone log. Some of the calls were placed only minutes before a game.

In an interview with The Washington Post, Rose explained the calls as follows: "He called me every night to find out where I was going to eat after the game. Could I give him tickets for him and his girl friend? Was my wife coming?"

UPI

Rose on betting with an illegal bookmaker: 'It was more of a convenience than anything. I would love, if I bet on Monday Night Football, to be close to Vegas where I could go do it legally. But unfortunately it's too much to pay for an airplane to go there every damn Monday night.'

Janszen told Dowd he phoned Rose to take his bets on major league games. Janszen said he also took bets from Rose in the clubhouse. "All the guys got to know me," he said, referring to the Reds' players. "And, they always probably wondered what is the guy doing coming into the clubhouse and hanging out all day."

After taking Rose's bets, Janszen said he placed them with a bookmaker, usually by phone. Peters, the former Ohio bookie, told Dowd he took Rose's bets in 1984-87. "Pete even called me directly on four, five or six occasions," Peters said in a recent interview. "He always started the conversation by saying, 'Yeah, this is Pete.' "

□

To baseball, a troubling aspect of the Pete Rose affair is the access Rose's friends and acquaintances had to the Reds' clubhouse.

One spring training visitor was Joe Cambra, who has been described by Rose as a "Pete Rose fan" and a "very dear and very close friend." Cambra was charged in 1984 with being a bookmaker. He later pleaded guilty to a gambling-related offense. Rose said he did not know at the time that Cambra was involved in gambling.

In 1985, after a drug scandal rocked the Pittsburgh Pirates, Ueberroth ordered the 26 major league clubs to ban nonessential personnel from the clubhouses. Despite the directive, Rose continued to invite outsiders into his office.

Bill Bergesch, the Reds' general manager at the time, said his security staff had difficulty keeping Rose's friends out of the clubhouse, especially before a game.

Bergesch joined the Reds in November 1984, three months after Rose was named manager. He was fired during the '87 season amid criticism that the Reds had finished second in the Western Division standings for two straight seasons.

"A lot of times the media would say our club played listlessly and didn't seem to have a great attitude," Bergesch said. "Well, these are the kind of things that a manager has to step into. The difference between the good managers and the mediocre managers and maybe even the poor managers is their handling of the ballclub.

"As I think back on it, we had situations where different players who left this club — Dave Parker, Frank Williams, Nick Esasky — blasted Pete for not communicating with them. At the time I thought, well, this might be sour grapes. It could be. But I remember Pete was always in his office. He hardly ever came over to the clubhouse with the players. He buried himself in his office and shut himself off from everybody.

"As I think back, I wonder if some of this time he shouldn't have been with his coaches and players. But instead he's talking to these friends."

□

For now Rose's attention is divided between his Reds, who are in a prolonged slump, and the lawsuit he has filed against Giamatti alleging that Giamatti prejudged the Rose case. Meanwhile, a federal grand jury in Cincinnati reportedly is examining whether Rose paid taxes on his gambling winnings and baseball-card show earnings. Rose's checks for 1985 and 1986 have been subpoenaed, and Janszen has given federal agents baseball betting records that allegedly are in Rose's handwriting.

Last fall IRS agents seized betting records from Peters that implicated Rose, according to Peters. "I've had at least four meetings" with federal agents "related to my own case," he said in an interview, "and I can tell you that they asked me a lot of Pete Rose-related questions. I have told them everything they've wanted to know."

Peters said he had been a bookmaker for several years when he began taking Rose's bet. By 1985, Peters said, he had about 75 customers, and Rose was among the most active.

"I had one client who bet a little more than Pete," Peters said. "Only one. He owned his own advertising business. This man even bet on the Super Bowl coin toss. But other than him Pete was the biggest bettor I ever had. Anybody who calls and bets almost every day on any sport — and bets lots of money like Pete does — isn't just a social gambler."

Peters said he has told federal agents that Rose had a net loss of $175,000 betting with him.

"Pete Rose's problem is simple," Peters said. "He has a sickness. A gambling sickness."

Judge Keeps Rose Case in Federal Court, Extends Dismissal Ban

Compiled by Our Staff From Dispatches

COLUMBUS, Ohio — Pete Rose suffered a major court setback Monday when a federal judge decided that his lawsuit against the commissioner of baseball, A. Bartlett Giamatti, belonged in federal court.

U.S. District Judge John D. Holschuh refused to return Rose's case to Hamilton County Common Pleas Court in Cincinnati, where Rose had won an order tying Giamatti's hands in deciding whether the Cincinnati Reds manager bet on baseball.

Giamatti wanted the case heard in federal court, where judges have upheld the commissioner's broad powers in previous legal challenges. Rose asked that the matter be kept in the local court, where Judge Norbert A. Nadel has shown a willingness to go into what he termed "uncharted waters" in his decisions.

Holschuh set a date of Aug. 14 to hear arguments on whether Giamatti should still be barred from acting on the Rose allegations. The judge extended until then the protections that Nadel granted Rose against being fired or suspended over the allegations.

The ruling to place the case in federal court could be appealed by Rose's lawyers in U.S. Circuit Court.

Meanwhile, a regiment of lawyers are trying to get the case back before Giamatti.

They come from the firms of Willkie Farr & Gallagher of New York; Caplin & Drysdale Chartered of Washington, D.C.; Dinsmore & Shohl of Cincinnati; and Vorys, Sater, Seymour & Pease of Columbus.

And that roster doesn't include Heron, Burchette, Ruckert & Rothwell of Washington, the firm whose partner, John Dowd, headed baseball's investigation of Rose.

Rose's platoon of lawyers come from Taft, Stettinius & Hollister of Cincinnati; Katz, Teller, Brant & Hild of Cincinnati; and Coolidge, Wall, Womsley & Lombard Co. of Dayton, Ohio.

The lawyers have apparently been too busy to add up the fees they are charging, although one lawyer working on the case estimated that the total is spiraling toward $2 million.

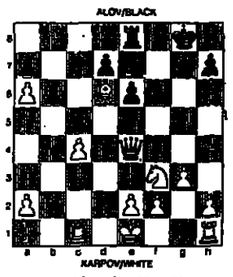
Louis Hoynes, who has been serving as trial attorney for Giamatti, said he has fallen behind in his billing. "I usually bill baseball once a month," said Hoynes, a longtime lawyer for the sport. "But I've been so busy I haven't been able to. I'll have to give them a two-month bill."

(AP, NYT)

CHESS

By Robert Byrne

AT the World Cup Tournament in Rotterdam that ended June 24, one can only guess what unsettled the Soviet former champion Anatoly Karpov and caused him to break his stride. He was enjoying a one-point lead in a tournament with only three rounds to go but suddenly lost three games and ended up with second prize. Trailing his countryman, the world champion Gary Kasparov, by 2½ points he perhaps felt the pressure to make up the deficit all at once. It is just possible that he regards the World Cup series as an extension of his rivalry for the world championship with Kasparov. Although Karpov lost the title to Kasparov in 1985 and failed to win it back in their two subsequent matches, wouldn't he love to beat Kasparov in the World Cup? Karpov's 15th-round game with another countryman, the grandmaster Valery Salov, was the first of his trio of losses. It had its own enigma: did Karpov blunder a pawn in the opening and try to make the best of his situation, or did he deliberately construct the game in a speculative style foreign to his methods in a desperate attempt to win? One purpose of 7 Bd2 in the Queen's Indian Defense is to threaten to jam the black queen bishop with 8 d5. For the moment, 7 ... Bf6 thwarts the plan because 8 d5 would let Black double the c pawns by capturing at c3. It is then normal for White to play 8 O-O, but Karpov varied with 8 Rc1?! Could he have overlooked that 8 ... Bd4! 9 Nd4 Nc3 10 Bc3 Bg2 wins a pawn for Black? Or did he figure that his 10 Bb7 Nd1 11 Rd1 would lead to his obtaining enough material to outweigh the lost queen? The latter consideration would be speculative and not in accordance with his style. Karpov could have been thankful that Salov did not have at his disposal 14 ... Na6? 15 Bb7 Nc5 16Nc6! dc 17 Bc6, which lets White recoup his material and eventually come out a pawn ahead. After 14 ... Qc8 15 b4 Na6 16 b5 Qa8 (16 ... Nc5 17 Bc6 dc 18 Bc5 bc 19 Nc6 would create a position that Black could easily lose) 17 ba c5 18 Nf3 Qe4 19 Rc1 16, Karpov had a rook and two minor pieces for his queen and a pawn, but he had to give back more material. On 20 a3 (a sign of bankruptcy) Qc6 21 Rd1 Qa4 22 Nd2 Qc6 23 Nf3 Qa4 24 Nd2, Karpov indicated that he was willing to take a draw by threefold repetition, but Salov showed that he wanted to win by picking up two pawns with 24 ... Qa3 25 O-O Qa6. But Salov was too optimistic — after 32 f3, Karpov had maintained his vital blockade of the d pawn and had also restrained the black queenside pawn majority. Despite Salov's opening of the queenside with 35 ... b5, White was no longer in any danger of losing. But soon, Karpov overextended himself in seeking winning chances. He should have secured his king by 45 hg Kg6 46 Kh3. Even later, after 46 ... Qf1, he could have played 47. Kh6 because all Salov could get after 47 ... Qh3 48 Kg5 Qh7 50 Kg5 with a draw by repetition of position. Instead, Karpov suicidally played 47



Position after 19 . . . f6

Kg4? and after 47 ... Kg6 48 Be5 d5 49 Nc5 Qh1! 50 Kf4 Qh5!, he was faced with 51 Ke3 Qe5 52 Kd2 d4!, the game was rapidly becoming a slaughter, so Karpov gave up.

QUEEN'S INDIAN DEFENSE

White Karpov	Black Salov	White Karpov	Black Salov
1 d4	Nf6	27 c5	Qc6
2 c4	e6	28 Nd4	Rd8
3 Nf3	b6	29 Re2	b5
4 g3	Bb7	30 Rc1	Rd6
5 Bg2	Be7	31 Re4	Rd5
6 Nf3	Ne4	32 f3	a5
7 Bd2	Bb4	33 Kg2	a4
8 Rc1	Nc6	34 h4	h5
9 Na4	Nc5	35 Kg3	Kg7
10 Bb7	a6	36 Kf4	Kf6
11 Rd1	c4	37 Re3	Re6
12 a3	O-O	38 Rb3	Rb6
13 Bc6	Qc8	39 Rb4	Rb7
14 Ba4	Na6	40 Rb3	Rb6
15 b4	Nc7	41 Rb4	Rb7
16 b5	Qc6	42 Rb3	Rb6
17 Bc6	dc	43 Rb4	Rb7
18 Nd3	Qc8	44 Rb3	Rb6
19 Rc1	Rd8	45 Rb4	Rb7
20 a3	Qc6	46 Rb3	Rb6
21 Nf4	Rd6	47 Rb4	Rb7
22 Nd3	Rd8	48 Rb3	Rb6
23 Nf4	Rd6	49 Rb4	Rb7
24 Nd3	Rd8	50 Rb3	Rb6
25 O-O	Qe4	51 Resigns	
26 e4	Qe6		

BOOKS

SAY CHEESE!

By Vassily Aksyonov. Translated by Antonina W. Bouis. 404 pages. $19.95. Random House, 201 East 50th Street, New York, N. Y. 10022.

Reviewed by Eva Hoffman

AMONG Soviet writers, moral dissidence has a long and honorable tradition. Vassily Aksyonov is one of the few, however, who have managed to match their oppositional message with an equally liberated style.

In the Soviet Union, Aksyonov was celebrated as one of the most provocative postwar voices — free-wheeling, satirical, formally daring. In 1980, he was forced to emigrate, after he instigated a bold effort to create the first uncensored magazine, Metropol, and after his novel "The Burn" was published in the West.

In the United States, where he now lives, "The Burn" met with wide critical acclaim; and since then Aksyonov has published several books. Although "Say Cheese!" is being published for the first time, it was written between 1980 and 1983, and while it has all the scope, ambition and toughness of his other writing, it is in many ways caught in a classic émigré dilemma, between audiences, historical periods and worlds.

Loosely, "Say Cheese!" can be seen as a sequel to "The Burn," or at least the next chapter in the saga of Soviet rebellion, dissidence and the doings of Moscow's bohemia. Whereas the action of "The Burn" unrolled during the 1960s and its mood alternated between the exhilaration of the first, fresh thaw and the leaden oppressiveness of the subsequent clampdown, "Say Cheese!" takes place in the murkier late-1970s atmosphere.

The beleaguered good guys this time are a group of feckless, innovative and politically problematic photographers who run afoul of the authorities when they decide to publish a small edition of "Say Cheese!," the first uncensored photo collection in the Soviet Union. To their surprise, this seemingly insignificant gesture brings down on them the entire apparatus of KGB surveillance.

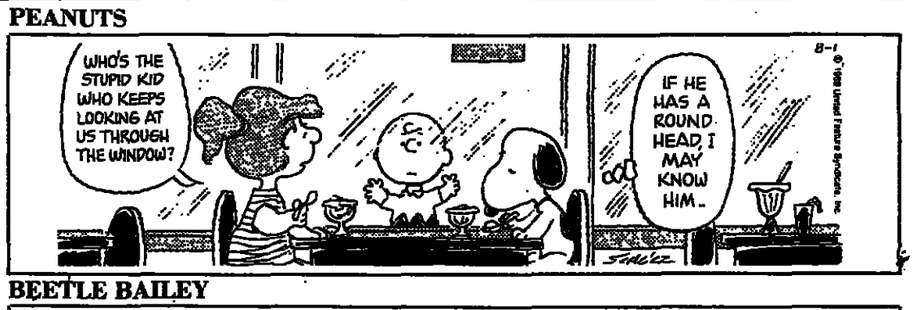
The novel has a protagonist in Maxim Ogorodnikov, or Ogo, a talented artist, daredevil and womanizer who philosophizes about the "astral" implications of photography and eludes his state pursuers with considerable elan. "What do they want from us?!" Ogo shouts at one point, and the question echoes several times within the novel. There is, of course, no answer.

The games of hide-and-seek that Aksyonov depicts have no rationale or goal, but they turn quite deadly nevertheless. His party apparatchiks are no longer the true believers of the Stalinist or even the Brezhnev era; they are bumbling opportunists who dispiritedly spout approved jargon, anxiously vie for position and power, and secretly admire the sophistication of their artistic victims.

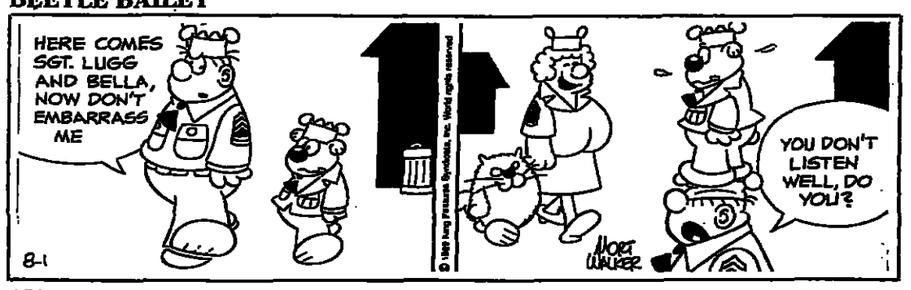
The novel ends on a surreal and benignly whimsical vision that may be read as a premonition of a better era; in any case, one hopes Aksyonov's diagnosis is no longer accurate or in imminent need of nonfictional revival.

Eva Hoffman is on the staff of The New York Times.

PEANUTS

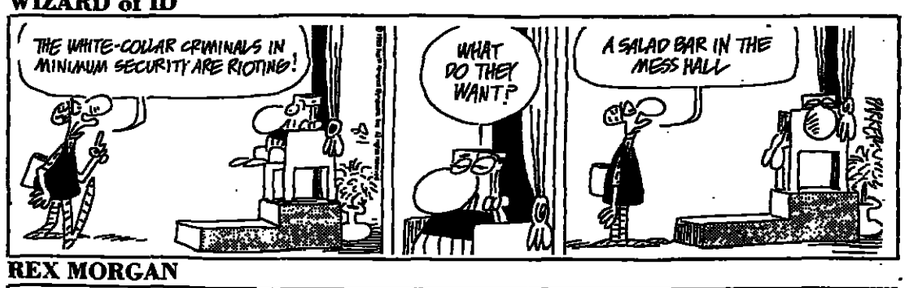


BEETLE BAILEY



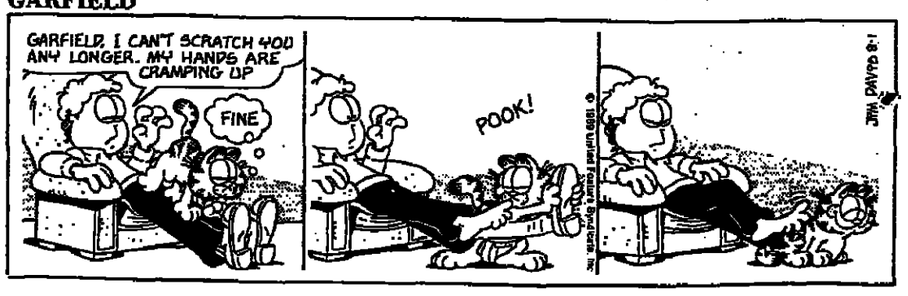
ANDY CAPP

WIZARD of ID

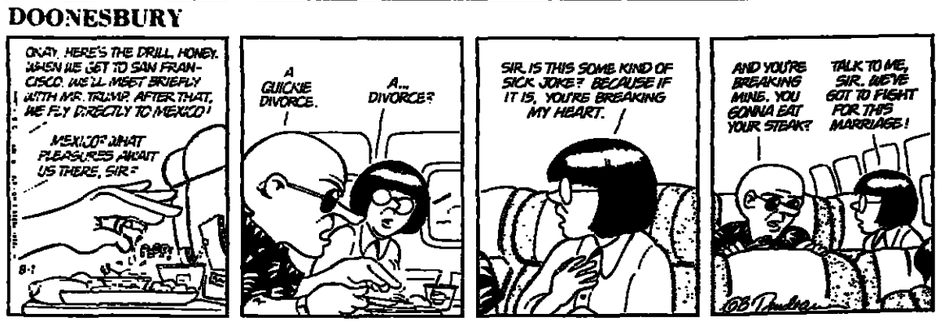


REX MORGAN

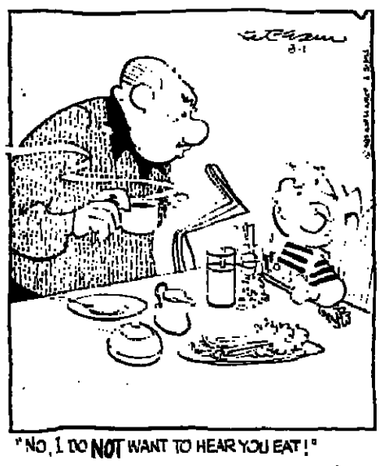
GARFIELD



DOONESBURY



DENNIS THE MENACE



JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

SARBS

CREYM

STINCH

LUPHED

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: ( ) ( )

(Answers tomorrow)

Yesterday's Jumbles: LITHE ARBOR BEHIND OUTING
Answer: Where are some of those yuppies running?—INTO DEBT

SPORTS

VANTAGE POINT/Ira Berkow

Shrine for Boy Scouts?

New York Times Service

NEW YORK — A member of the Baseball Writers Association of America, one of the 800 who vote for candidates for the Hall of Fame, said recently at Cooperstown, New York, that he'd never vote for Pete Rose to enter the hallowed shrine if Rose were found to have gambled on baseball, let alone on his own team, the Cincinnati Reds.

"Even if he gambled only when he was a manager, and not a player?" he was asked. "Absolutely," the writer replied.

"But you'd be considering him only as a player for the Hall of Fame, not as a manager. Managers are a separate category."

"But you'd have to take into account the morality factor," the writer said. "I would feel embarrassed taking my son to the Hall of Fame and showing him the plaque of Rose if he had gambled on his team, and having to answer the question of, 'Daddy, what's he doing here?' "

"But then what do you tell your son about Cobb, who was one of the meanest people to play the game, and who also apparently fixed a game with Tris Speaker?"

"That's retroactive," the writer said, "but I wouldn't have voted for Cobb, or Speaker, either."

If it were for upstanding citizens only, there would be many bare spots.

"What about Rogers Hornsby? He was always at the race track. He said he didn't consider betting on horses any more of a gamble than investing in the stock market."

"I wouldn't vote for him, either."

"What about Babe Ruth, who drank liberally and sired a daughter by his housekeeper, and who the mayor of New York once asked to curb his ways because he was such a bad model for the dirty-faced kid on the street?"

"I might not have voted for him, either," the man said.

"That means, then, that you wouldn't vote for some of the greatest players who ever played the game."

"Well, the Hall of Fame is a special place. It should be reserved for great players who were upstanding citizens, too."

If such were the criteria, there would be many bare spots on the walls. Better it should be called the Hall of Fame for Boy Scouts.

Down would come the plaque of Cap Anson, for instance, whose flagrant racism in the 1880s helped to bar black American citizens from playing in the major leagues until 1947.

And down would come the plaque of Judge Landis, who didn't cast Cobb or Speaker out of baseball when he learned that they had conspired to fix a game between their two teams. Landis also had a strong hand in keeping black players out of baseball.

Down would come the plaque of Charles Comiskey, the Chicago owner whose cheapness gave impetus to the Black Sox scandal, and who helped abort the trial for his eight indicted players.

Down would come the plaque of Rube Waddell, who was jailed for bigamy, who assaulted and badly injured his father-in-law, and who, it was said, could be bought by gamblers. According to "The Baseball Hall of Fame 50th Anniversary Book" by Gerald Astor, "The injury allegedly incurred while horsing about with [Andy] Coakley was actually a cover-up for a scheme by heavy bettors to ensure a win by the Giants."

Down would come the plaques of greats like Grover Cleveland Alexander, and Hack Wilson, and the Waner brothers — all notorious imbibers. Alexander was an admitted alcoholic, and the legend persists that when he struck out Tony Lazzeri with the bases loaded in relief in the seventh inning to preserve the 1926 World Series championship for the Cardinals, he did so with a throbbing hangover. Once, Wilson was called to pinch-hit, but his manager got no reply. Wilson was found in the clubhouse, sprawled among empty beer bottles.

Down, too, might come the plaque of the sanctified John J. McGraw who, like so many others, broke the law of the land in the 1920s and circumvented Prohibition.

But never mind. We'd often rather remember the old days in the sun, and the often mythologized moments, even though, paradoxically, there runs through the nation a continuing strain of Puritanism. It's preposterous to believe that those who are great at games must also be great at life. Yet we demand it, or wish it.

Betting on your team to win, meanwhile, as Rose's accusers say he did, would not be considered an evil in many other countries. Recently, the sportswriter Pat Calabria of Newsday reported: "The captain of England's cricket team mentioned, patriotically, that he'd bet on his underdog team to beat mighty Australia at 8-1 odds. And everyone thought that was great."

The responses of Hall of Famers themselves, when asked whether Rose should be elected if he were found to have gambled on baseball, were as varied as those of people on the street.

Bob Feller said he'd never return to the Hall of Fame if Rose got in under those circumstances, while Ted Williams said that Rose deserved to be in because his record qualified him overwhelmingly.

There is nothing in any of the evidence against Rose to suggest he either bet against his team or fixed a game. But the rules of baseball state that if you bet on your team, even only to win, you can be suspended for life.

All major leaguers understand this. If Rose bet on his team, he should be suspended for life. But as in the National Basketball Association, which, after two years, just reinstated Mitchell Wiggins, who had been given a lifetime ban for testing positive for drugs, Rose should be given an opportunity for redemption or repentance.

The Hall of Fame itself has a deep history of forgiving and forgetting, or ignoring, when it comes to some of the game's most illustrious transgressors.

Christopher Morris/Reuters

Mike Fitzgerald, the Expos' catcher, dived too late to prevent Ozzie Smith from scoring during the Cardinals' 8-3 victory in Montreal.

Scott Beats Giants For 17th Victory as Astros Narrow Race

Compiled by Our Staff From Dispatches

The Houston Astros hit balls that fell where the San Francisco Giants weren't. The Giants didn't hit balls anywhere.

"They hit some balls today that I don't think you could have thrown out there any better," Mike LaCoss, the San Francisco pitcher, said Sunday after the Astros won, 6-2, to move within one game of the Giants in the National League West.

Mike Scott became the first pitcher in the major leagues to win 17 games. Scott, 17-5, struck out nine. Danny Darwin, who pitched the last two innings, got five more. They struck out the side in the first, seventh and ninth innings.

"We just haven't been hitting at all, period," said the Giants' manager, Roger Craig. "And in the last 11 games, everybody that we've faced hasn't been a Mike Scott."

The Giants, in first place since June 14, have lost four of five games and seven of 11.

"It was a key to the game for me to get out of the first inning," said Scott, who allowed seven hits. "They got the first two guys on base and I was able to get out of it."

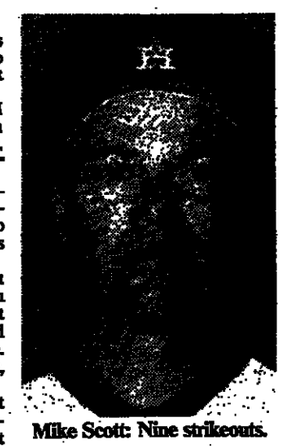
LaCoss said the Astros — seven of whom he struck out — were hardly an imposing group.

"I know [Glenn] Davis has 22 home runs, but their other guys certainly don't drive the ball," he said. "When those balls like they hit today don't fall in, it's going to be tough on them."

Rafael Ramirez doubled three times and drove in two runs for Houston, while Craig Biggio hit a two-run single during a four-run seventh inning that broke a 2-2 tie.

The Astros loaded the bases to start the seventh on a single by Craig Reynolds, an error by LaCoss that allowed Gerald Young to reach base and a fielder's choice bunt by Scott on which Matt Williams, the third baseman, threw too late to third.

Biggio singled to center and Ramirez followed with his third double to drive in a third run and finish LaCoss. Billy Hatcher, pinch-hitting for Terry Puhl, scored Biggio with a sacrifice fly.



Mike Scott: Nine strikeouts.

BASEBALL ROUNDUP

Cardinals 8, Expos 3: Jose Oquendo doubled home two runs in Montreal and scored on Pedro Guerrero's single as St. Louis made it 4-0 in the fifth, and Milt Thompson and Terry Pendleton had two-run singles in a four-run seventh.

Dodgers 10, Padres 1: Los Angeles, 11th of the 12 National League teams in batting and home runs, got three home runs — two by Eddie Murray — and 15 hits in San Diego.

White Sox 3, Angels 2: Scott Fletcher, acquired Saturday in a trade, drove in the winning run for Chicago with a sacrifice fly in the eighth, and Jerry Reuss and Bobby Thigpen combined on a four-hitter in an American League contest.

Royals 7, Orioles 6: Danny Tartabull singled in the last two runs in the eighth to cap a four-RBI, one-home-run performance in Kansas City, Missouri. It was Baltimore's 10th loss in 11 games.

Athletics 5, Mariners 3: In Oakland, California, Dave Stewart survived back-to-back homer by Greg Briley and Alvin Davis in the sixth to get his AL-leading 15th victory.

Rangers 9, Brewers 3: Pete Incaviglia drove in five runs with a three-run homer and a two-run double in Arlington, Texas, to end Milwaukee's four-game winning streak. Nolan Ryan struck out 10 in 7⅓ innings for the victory. *(AP, UPI)*

Conway Sets U.S. High Jump Record

Showdown With Cuba's Sotomayor Set for Next Sunday

Los Angeles Times Service

OKLAHOMA CITY — When someone told Hollis Conway, he could not believe his ears. When he read it in a newspaper, he could not believe his eyes.

Javier Sotomayor of Cuba had raised his own world record in the high jump Saturday night in San Juan, Puerto Rico, and the word was flying around the U.S. Olympic Festival here — "The Cuban has jumped eight feet."

Conway, the American record holder in the high jump, took a great deal of kidding from festival athletes Sunday — too much for his taste — and resolved to do something about it.

The silver medalist at the Seoul Olympics and the only American to ever have attempted eight feet (2.44 meters), Conway responded by bettering his own American record, raising the mark from 7 feet, 9¾ inches to 7-10 (2.39 meters).

And, as if to underscore his point, he had three attempts at 8-0¾. It was believed to be the highest height ever attempted by anyone in the event.

"I am a little disappointed," Conway said. "I wanted to be the first man to jump eight feet. But dreams can change. I can be the first American to jump eight feet."

The 22-year-old from Lafayette, Louisiana, who is a business student at Southwestern Louisiana University, did not have a great overall day of jumping, taking three attempts to clear 7-8. But his clearance at 7-10 appeared to have inches to spare.

"I thought I had eight feet on that jump," he said. "I backed up and just ran. I didn't think about anything else. I just ran."

As Conway went for the world record, a sparse crowd of 4,640 on a blazing hot day at the University of Oklahoma in Norman cheered wildly and chanted, "Eight feet, eight feet."

Brian Brown of New Iberia, Louisiana, a national champion, was second, and Brian Stanton of Los Angeles, a 1988 Olympian, was third. Both jumpers cleared 7-6½, and Brown was awarded second on the basis of fewer misses.

Conway, who was shaky until the later rounds, said, "All my jumps were terrible."

Conway was dwarfed by the bar when officials set it at 8-0¾ feet, two feet above his head. At 6 feet and 145 pounds (65.8 kilograms), he is small by the standards of the event. Sotomayor is 6-5 and 168 pounds. That height advantage becomes more significant as the bar is raised.

"It makes heights like 7-6½ look like nothing," Stanton said. "To jump 7-8 is like O.K. Seven-nine and 7-10, now you are special."

Conway and Sotomayor are scheduled to meet Sunday at the Jack in the Box Invitational at the University of California-Los Angeles. Conway said he has jumped against the Cuban several times and beat him only once, when Sotomayor no-heighted at a meet in Zurich. Conway cleared 7-2 in that competition.

"Every time Sotomayor jumps well I jump better," Conway said.

Conway said he was ready to jump high Sunday and he was urged on by the news of Sotomayor's record.

"Revenge is never a part of high jumping," Conway said. "But I guess I was trying to make a point."

The Message: Lay Off Rice

The Associated Press

EUGENE, Oregon — Wang Ching-chang of Taipei sped 100 meters Sunday in 23.15 seconds, easily winning his third age-group gold medal of the World Veterans' Championships.

Wang is 94.

He already had won the javelin throw Saturday and the shot put Sunday, and is entered in the 200-, 400-meter and 800-meter races and the discus later this week where his chances are good — the most competition he has had in any event is one other person.

"I'm very healthy," he said through an interpreter, crediting a diet high in vitamins, traditional Chinese medicines and beans. But, he said, "I don't eat very much rice."

Olympic Festival Grosses $3 Million

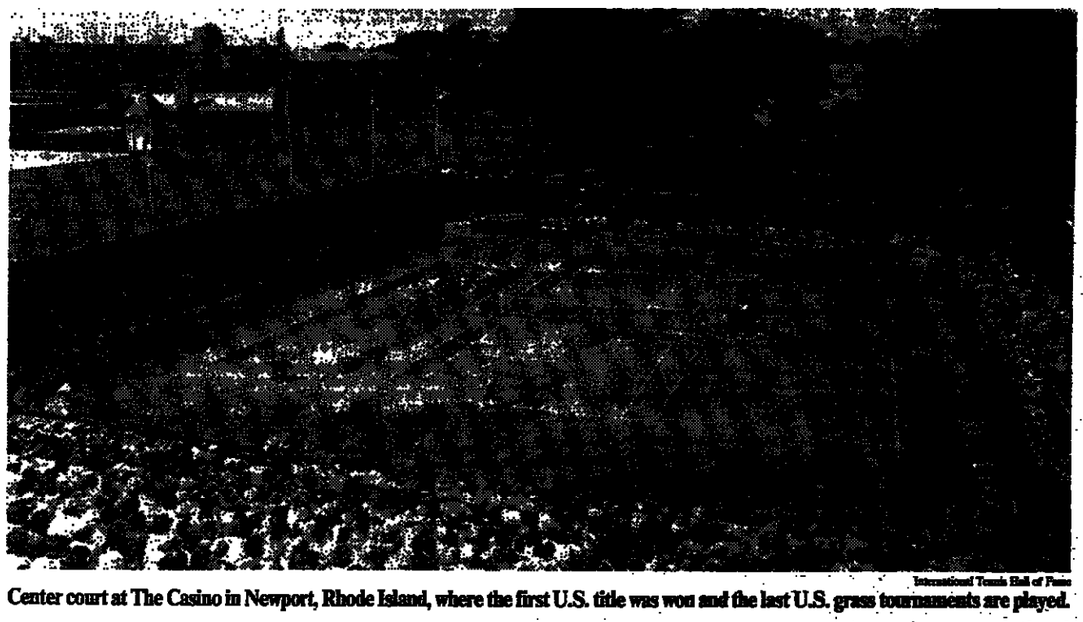
New York Times Service

OKLAHOMA CITY — The 10-day U.S. Olympic Sports Festival ended Sunday with organizers calling it one of the most successful in the event's 11-year history.

By Sunday morning, the festival had grossed $2.9 million and drawn 343,197 spectators. In 1987, a record 464,423 spectators attended the festival in North Carolina.

Clay Bennett, executive director of this festival, said that while traditionally popular sports like wrestling, basketball and gymnastics attracted fewer fans than at other festivals, sports like fencing, softball and table tennis drew better.

"There were some surprises on both sides of the fence," Bennett said, adding that "it was certainly a break-even project."



International Tennis Hall of Fame

Center court at The Casino in Newport, Rhode Island, where the first U.S. title was won and the last U.S. grass tournaments are played.

The Casino: Grass Roots of U.S. Tennis

By Bud Collins
International Herald Tribune

NEWPORT, Rhode Island — Behind the green doors lies the past, neatly packaged and still functioning.

Amid a row of brick-front Bellevue Avenue shops, catering to well-heeled vacationers, is a hallway leading to the tall doors. Once inside, you find yourself startled by an anachronism. Known formally as The Casino, the grassy spread of six acres (2.4 hectares) is the world's elder among tennis pens, dating back to 1880.

It was here, in this seaside resort to which robber barons and other millionaires gravitated, that the original U.S. Championships were staged 108 years ago. Nothing much seems to have changed since a Harvard kid named Dick Sears rode train, boat and carriages from Boston, 90 miles (145 kilometers) distant, to Newport to win the first title.

A handsomely landscaped enclave of 12 turf courts, The Casino is edged by wood-shingled structures in sepia or deep green tones from the drawing board of Stanford White, the celebrated 19th-century architect. A clock tower, a variety of balconies adorned by scrollwork and the horseshoe piazza evoke an era of leisure and privilege.

Ghosts of champions past — Sears, Tilden, McLoughlin, Larned and so many others — lurk in the passageways, or loll beneath the huge copper beech tree at a corner of the small stadium. Since 1954, this has been the game's Valhalla, site of the International Tennis Hall of Fame.

It is — and isn't — a museum. Although the hall contains ghosts and their relics, The Casino is very much a going concern in the modern, highly professionalized era. The day after Wimbledon closed, it hosted a men's Grand Prix stop over under the banner of the Volvo Hall of Fame Championships. The singles was won this year by the world's top-ranked doubles player, Jim Pugh, over the burly Swede, Peter Lundgren, who came close to beating Ivan Lendl at Wimbledon.

Then the women moved in for their week, the Virginia Slims of Newport.

This fortnight of activity, although the last of the grass in the United States, is a strong statement that God's own sod, although fighting to exist, isn't dead. Grass championships have been played continuously, except for wartime interruptions, since 1877 at Wimbledon and 1881 at The Casino, but the game's original surface has become an endangered species.

'We like being unique in America. The players and public enjoy being part of a special kind of tennis.'

Mark Stenning, tournament director at The Casino

The reasons are clear: Keeping a grass tennis court in shape is expensive. It is easily damaged by use, misuse and the weather, and players complain about bad bounces. The tough synthetic surfaces have moved in with a cheaper product and a more uniform bounce.

Of more than 150 Grand Prix and Slims events, only six turf locations can be found. Wimbledon and Newport host men and women. England has the rest: Queen's and Bristol, male precincts; Birmingham and Eastbourne, female.

In two decades, grass has wilted from a position of most important battleground to most threatened. When grand slams were recorded by Don Budge (1938), Maureen Connolly (1953), Rod Laver (1962, 1969) and Margaret Court (1970), the Australian and U.S. titles were contested on the green, as well as Wimbledon. Only France, with clay, kept off the grass.

But the paving of the U.S. Open with asphalt in 1978, then the Australian Open 10 years later, made chlorophyll underfoot nearly passé. Curiously, to many, the most prestigious event, Wimbledon, stood pat with its living, breathing courts. Stan Smith, the 1972 champion, observed, "When you consider the importance of Wimbledon and the fact that so few players understand grass now, it's almost like running the Indianapolis 500 on a dirt road full of potholes."

But Wimbledon's singularity and increased degree of difficulty seems to have made it a more desirable prize. Witness No. 1 Ivan Lendl, who flounders there as though in the Sargasso Sea. Yet he intends to concentrate even more "to win it or die trying."

Mark Stenning, director of Newport's fortnight, said, "We like being unique in America. The players and public enjoy being part of a special kind of tennis."

No doubt about that.

"I'll come here as long as I play," said Pam Shriver, who has won twice but lost in this month's final to Zina Garrison. "It's such a wonderful connection with the game's heritage."

Spectators, wandering the intimate enclosure or prowling the Hall of Fame, obviously relish digging into the past, and finding it alive and well. Many are in T-shirts and shorts, whereas their earlier counterparts appeared in coats, ties and straw boaters, or in long gowns with parasols. It is the most pleasant of American tournaments, caressed by ocean breezes, offering Pimm's and gelato stands and a chance to converse with relaxed competitors.

A leading reason for The Casino's vitality may be seen beneath a planter's hat in his courtside box: 87-year-old Jimmy Van Alen.

Not long ago, The Casino was crumbling, seemingly bypassed despite its status as cradle of the American game. But the cherubic Van Alen, a scion of very old wealth, fought to save his boyhood haunt, both with his own money and ideas.

His radical thoughts on the game made him scorn the Newport Bolshevik to a staid tennis establishment. But he persevered, and his two principal contributions uplifted the game. First was the Hall of Fame, which he founded in 1954 to little fanfare. Then he conceived the tie-breaker in 1965 and lobbied incessantly for its acceptance. The innovation, which shortened matches and heightened drama, made tennis palatable to TV.

Van Alen's persistence brought others like Joe Cullman, chairman of Philip Morris Inc., to The Casino's rescue. An architectural and sporting masterpiece was refurbished and saved.

"The place is such a joy to me," Van Alen said. "Right there" — he indicated the stadium court — "I defeated George Lott in 1922. The tournament committee were furious with me. They wanted a final between Lott and Bill Tilden."

"You know what makes this the only genuine Hall of Fame? It remains the place where American tennis began and champions played. Nobody ever played baseball at Cooperstown."

You can almost hear the ghosts applauding Van Alen, and thanking him for saving their day and their way.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Baltimore	54	48	.529	—
Cleveland	51	52	.495	3½
Toronto	51	53	.490	4
Boston	49	51	.490	4
Milwaukee	50	54	.481	5
New York	49	54	.476	5½
Detroit	36	67	.350	18½

West Division

California	63	40	.612	—
Oakland	62	42	.596	1½
Kansas City	57	47	.548	6½
Texas	56	47	.544	7
Minnesota	51	53	.490	12½
Seattle	49	54	.476	14
Chicago	44	60	.423	19½

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Montreal	60	44	.577	—
Chicago	58	45	.563	1½
St. Louis	53	47	.530	5
New York	53	49	.520	6
Pittsburgh	45	58	.437	14½
Philadelphia	41	61	.402	18

West Division

San Francisco	61	44	.581	—
Houston	60	45	.571	1
San Diego	51	54	.486	10
Cincinnati	48	56	.462	12½
Los Angeles	49	57	.462	12½
Atlanta	43	62	.410	18

Sunday's Line Scores

AMERICAN LEAGUE

Toronto 010 104 000—6 8 0
New York 008 100 611—7 12 0
Stieb, D.Ward (7) and Myers, Borders (6); C.Parker, Guetterman (6) and Geren, Slaught (9). W—Guetterman, 3-5. L—D.Ward, 4-8. HRs—Toronto, McGriff (27). New York, Hall (9).

Boston 002 030 000—5 10 0
Cleveland 101 000 000—2 10 2
Boddicker, Lamp (4), Murphy (7) and Gedman; Farrell, Stv.Davis (5), Orosco (9) and Allanson, Skinner (9). W—Lamp, 1-1. L—Farrell, 6-10. Sv—Murphy (6).

Minnesota 000 001 025—14 16 1
Detroit 000 001 020— 3 10 1
A.Anderson, Reardon (9) and Harper; Alexander, Pena (8) and Heath, Sinatro (9). W—A.Anderson, 11-9. L—Alexander, 5-11. HRs—Minnesota, Dwyer (3), Gaetti (5), Bush (10). Detroit, G.Ward (6).

Baltimore 211 110 000—6 10 0
Kansas City 202 001 02x—7 9 1
M.Smith, Hetton (3), Hickey (6), Olson (8) and Melvin; Leibrandt, Leach (3), Farr (7), Montgomery (9) and Boone. W—Farr, 1-4. L—Olson, 3-2. Sv—Montgomery (6). HRs—Baltimore, P.Bradley (7), Milligan (9). Kansas City, Tartabull (12).

Chicago 000 000 210—3 5 0
California 000 100 100—2 4 0
Reuss, Thigpen (8) and Karkovice; C.Finley, Fraser (8), McClure (9) and Schrader. Parrish (9). W—Reuss, 8-5. L—C.Finley, 12-7. Sv—Thigpen (22). HR—California, Joyner (6).

Seattle 000 102 000—3 6 1
Oakland 012 002 00x—5 7 0
Holman, Jackson (6) and Bradley, Stewart, Honeycutt (8), Eckersley (8) and Hassey. W—Stewart, 15-6. L—Holman, 4-3. Sv—Eckersley (18). HRs—Seattle, Briley (9), A.Davis (10). Oakland, Hassey (5).

Milwaukee 030 000 000—3 4 1
Texas 304 000 20x—9 11 1
August, Krueger (3), Knudson (7) and C.O'Brien; Ryan, Rogers (8), Russell (9) and Kreuler. W—Ryan, 12-6. L—August, 9-10. HRs—Milwaukee, C.O'Brien (3). Texas, Incaviglia (13), Sierra (18).

NATIONAL LEAGUE

St. Louis 001 030 400—8 10 0
Montreal 000 001 101—3 8 2
Magrane, Quisenberry (9) and T.Pena; B.Smith, Frey (7), McGaffigan (7), Hesketh (8) and Fitzgerald. W—Magrane, 12-7. L—B.Smith, 9-4. HR—Montreal, Raines (6).

Pittsburgh 003 200 100—6 8 1
Philadelphia 000 025 01x—8 12 1
Drabek, Kipper (6), Kramer (7) and Ortiz; Cook, Frohwirth (7), McDowell (9) and Daulton. W—Cook, 5-3. L—Kipper, 3-4. Sv—McDowell (13). HRs—Pittsburgh, Ortiz (1). Philadelphia, C.Hayes (4).

Cincinnati 100 001 000—2 9 0
Atlanta 111 000 20x—5 10 0
Mahler, Charlton (7) and Oliver, Reed (6); Lilliquist, Eichhorn (6), Boever (8) and Benedict. W—Lilliquist, 6-6. L—Mahler, 9-10. Sv—Boever (18). HR—Atlanta, Evans (7).

New York 000 020 200—4 5 2
Chicago 101 101 002—6 8 0
Oieda, Aguilera (7), Myers (9) and Carter; Bielecki, Williams (7), Lancaster (7) and Berryhill. W—Lancaster, 3-0. L—Aguilera, 6-6. HRs—Chicago, Dunston (7), Grace (6).

San Francisco 010 010 000—2 7 1
Houston 001 010 40x—6 9 1
LaCoss, Lefferts (7), Bedrosian (8) and Kennedy; Scott, Darwin (8) and Biggio. W—Scott, 17-5. L—LaCoss, 5-7.

Los Angeles 222 000 030—10 15 0
San Diego 001 000 000— 1 4 0
Belcher and Scioscia; Demosey (9); Whitson, Leiper (3), Clements (6), Tolliver (8), Mack-Davis (9) and Santiago. W—Belcher, 8-9. L—Whitson, 14-7. HRs—Los Angeles, Murray 2 (12), Stubbs (3). San Diego, Santiago (6).

Major League Leaders

AMERICAN LEAGUE

BATTING (310 at bats): Puckett, Minnesota, .344; Bosse, Boston, .329; Sierra, Texas, .327; Lansford, Oakland, .326; Baines, Texas, .323; Yount, Milwaukee, .322; Franco, Texas, .321; Sax, New York, .321; Browne, Cleveland, .308; Greenwell, Boston, .307.

RUNS: R.Henderson, Oakland, 79; Sierra, Texas, 69; McGriff, Toronto, 65; Deer, Milwaukee, 63; Gruber, Toronto, 63; Tettleton, Baltimore, 63; Yount, Milwaukee, 63.

RBI: Sierra, Texas, 77; Franco, Texas, 73; Carter, Cleveland, 69; Mattingly, New York, 68; Yount, Milwaukee, 68.

HITS: Puckett, Minnesota, 141; Sax, New York, 134; Sierra, Texas, 133; Yount, Milwaukee, 128; Gallagher, Chicago, 124.

DOUBLES: Puckett, Minnesota, 32; Bosse, Boston, 31; Sierra, Texas, 29; Reed, Boston, 28; Yount, Milwaukee, 26.

TRIPLES: D.White, California, 10; P.Bradley, Baltimore, 10; Sierra, Texas, 10; Bosse, Boston, 7; 4 are tied with 6.

HOME RUNS: McGriff, Toronto, 27; Deer, Milwaukee, 25; B.Jackson, Kansas City, 22; Tettleton, Baltimore, 21; Whitaker, Detroit, 21.

STOLEN BASES: R.Henderson, Oakland, 47; Espy, Texas, 31; Sax, New York, 30; Gallagher, Chicago, 29; D.White, California, 28; Pettis, Detroit, 28.

PITCHING (9 decisions): Stivleven, California, 10-2, .833, 2.45; Swindell, Cleveland, 13-3, .813, 2.69; Montgomery, Kansas City, 7-2, .778, 1.32; Gordon, Kansas City, 11-4, .733, 3.17; Moore, Oakland, 13-5, .722, 2.26.

STRIKEOUTS: Ryan, Texas, 190; Clemens, Boston, 150; Viola, Minnesota, 138; Bosio, Milwaukee, 122; C.Finley, California, 120.

SAVES: D.Jones, Cleveland, 24; Plesac, Milwaukee, 24; Thigpen, Chicago, 22; Russell, Texas, 21; Schooler, Seattle, 20.

NATIONAL LEAGUE

BATTING (310 at bats): Larkin, Cincinnati, .340; T.Gwynn, San Diego, .334; W.Clark, San Francisco, .332; Guerrero, St. Louis, .301; Oquendo, St. Louis, .295; Mitchell, San Francisco, .294; H.Johnson, New York, .293; O.Smith, St. Louis, .293; O'Neill, Cincinnati, .287; Wallach, Montreal, .285.

RUNS: H.Johnson, New York, 71; W.Clark, San Francisco, 69; Mitchell, San Francisco, 67; R.Thompson, San Francisco, 66; Bonds, Pittsburgh, 65.

RBI: Mitchell, San Francisco, 89; W.Clark, San Francisco, 75; H.Johnson, New York, 66; Guerrero, St. Louis, 64; O'Neill, Cincinnati, 62.

HITS: T.Gwynn, San Diego, 136; W.Clark, San Francisco, 128; R.Alomar, San Diego, 110; Wallach, Montreal, 108; Larkin, Cincinnati, 107.

DOUBLES: Wallach, Montreal, 32; Guerrero, St.Louis, 29; H.Johnson, New York, 28; Hamilton, Los Angeles, 25; Mitchell, San Francisco, 25.

TRIPLES: R.Thompson, San Francisco, 9; Roberts, San Diego, 7; Van Slyke, Pittsburgh, 7; Bonilla, Pittsburgh, 6; T.Gwynn, San Diego, 6; Uribe, San Francisco, 6.

HOME RUNS: Mitchell, San Francisco, 23; H.Johnson, New York, 24; G.Davis, Houston, 22; Strawberry, New York, 22; E.Davis, Cincinnati, 19.

STOLEN BASES: Coleman, St. Louis, 45; Young, Houston, 33; T.Gwynn, San Diego, 31; O.Nixon, Montreal, 28; R.Alomar, San Diego, 27.

PITCHING (9 decisions): D.Martinez, Montreal, 12-1, .923, 3.04; Darwin, Houston, 10-2, .833, 2.16; Scott, Houston, 17-5, .773, 2.45; Fernandez, New York, 8-3, .727, 2.95; Garrelts, San Francisco, 8-3, .727, 2.38; Lonsston, Montreal, 8-3, .727, 2.60; Parrett, Philadelphia, 8-3, .727, 2.59.

STRIKEOUTS: Belcher, Los Angeles, 134; Smoltz, Atlanta, 122; DeLeon, St. Louis, 127; Hurst, San Diego, 126; Scott, Houston, 125.

SAVES: M.Williams, Chicago, 26; M.Davis, San Diego, 25; Franco, Cincinnati, 24; Burke, Montreal, 21; D.Smith, Houston, 21.

TENNIS

MEN'S FINAL
(In Hilversum, Netherlands)
Karel Novacek (7), Czechoslovakia, def. Emilio Sanchez (2), Spain, 6-2, 6-4.

WOMEN'S FINAL
(In Schenectady, New York)
Laura Gildemeister, Peru, def. Marianne Werdel, U.S., 6-4, 6-3.

CRICKET

ENGLAND vs. AUSTRALIA
(In Manchester, England, Day 4)
1st Innings: England 260 (all out); Australia 447 (all out).
2nd Innings: England 123-6; rained out.

SOCCER

WORLD CUP QUALIFYING
Venezuela 0, Brazil 4
Trinidad and Tobago 2, El Salvador 0

SIDELINES

Stewart Bogeys, Thompson Wins

GRAND BLANC, Michigan (AP) — Leonard Thompson ended a 12-year victory drought Sunday when Payne Stewart bogeyed the 18th hole, giving Thompson a one-stroke triumph in the Buick Open.

Thompson, 42, who in 19 years on the PGA Tour had won only the 1974 Jackie Gleason Inverrary Classic and the 1977 Pensacola Open, shot 68 and finished at 273.

When Stewart missed an eight-foot (2.5-meter) putt that would have sent the tournament into a playoff, Thompson broke into tears. Stewart finished in a three-way tie for second with Billy Andrade and Doug Tewell.

For the Record

Taiwan won its fourth straight Far East Little League championship Monday, beating South Korea, 1-0, in Seoul to advance to the Little League World Series in Williamsport, Pennsylvania, Aug. 22-26. Taiwan is the defending world champion. *(AP)*

Sugar Ray Leonard and Roberto Duran will fight Dec. 7 in Las Vegas, Leonard's attorney confirmed Monday. *(AP)*

Wade Wilson, who has quarterbacked the Minnesota Vikings into the NFL playoffs the last two seasons and himself into the Pro Bowl, became the highest-paid player in Vikings history Sunday when he signed a contract extension that will pay him more than $1 million for each of the next four seasons. *(AP)*

Lane Frost, 25, the 1987 world champion bull rider from Quanah, Texas, was killed Sunday at the Cheyenne Frontier Days rodeo in Wyoming when a bull he had been riding charged him from behind and a major blood vessel was punctured by ribs broken by the bull's horns. *(AP)*

The Baltimore Orioles' talks with No. 1 draft choice Ben McDonald, who has been seeking a guaranteed contract, have again broken down, the team said. *(AP)*

ART BUCHWALD

'Mr. Clean of the Sea'

WASHINGTON — It was an environmental dream come true. The Exxon oil company announced it had completed its Alaska oil spill cleanup to everyone's satisfaction and by September would close up shop.

The man responsible for the Exxon success was Joe Sludge, who has personally shined 90 percent of all the rocks in Valdez. Joe was in Washington to testify in front of a congressional committee, and I found him sitting by the reflecting pool, cleaning oil sludge from between his toes.

Buchwald

"No one thought you could do it," I said.

Joe replied, "I couldn't have done it without the help of the captain of the Valdez and his merry crew, as well as my superiors in the home office. A company like Exxon doesn't operate in a vacuum."

"Are you permitted to tell me how you won the environmental battle?"

"We just took a page out of Vietnam. We fought the good fight and then we said, 'The hell with it — we'll finish up next spring.' "

□

"How many rocks did Exxon polish up after the spill?"

"A lot more than anyone can imagine. But it isn't just cleaning them that we should get credit for. There are rocks in Valdez you can eat a smoked salmon off of — that is, if you can find a salmon in Valdez. But the main point is that Exxon gave it its best shot and now it's Mother Nature's turn to do some of the dirty work."

"Joe, everyone knows you have been diligent in saving the shoreline of Alaska, but you have to admit there wouldn't have been a spill if it hadn't been for Exxon. Shouldn't a neutral party decide when it's time to hang up the towel?"

"The only ones to judge such an important matter are the stockholders. After all, the cost of the cleanup is coming out of their pockets. Most of our stockholders care more about the environment than Exxon critics."

"Why is that?"

"Because they have a vested interest in how much Exxon spends to clean up its mess. Unlike environmentalists, stockholders don't let sentiment interfere in tough crude oil decisions. Exxon management could waffle at any time, but the pragmatic stockholder never will."

"I can see that the stockholders are less sentimental about Alaska's environment, but doesn't a nonnegotiable pullout jeopardize the good name of Exxon?"

"No, because the American people are fair. They know good spills from bad spills. Valdez could have been a disaster if we hadn't cleaned up the rocks. The Alaskan shoreline is far more spic and span now than it was before the spill. If Exxon hadn't had such a top-flight training program, the brave captain of Valdez might have beached his ship in San Francisco harbor."

"Or perhaps in one of the Great Lakes," I added.

Joe said, "If you want the truth, the reason Exxon is signing off is that we're sick and tired of doing everybody else's laundry. Do you know that I have personally cleaned rocks along the shore, and I am certain that the oil on them did not come from our ship?"

"If you were so sure, why didn't you just throw those rocks back in the sea?" I asked.

"Because Exxon doesn't operate that way. When it comes to oil spills, our policy has always been to clean every stone — with no questions asked. That's why we're known in the oil business as Mr. Clean of the Sea."

'Oh! Calcutta!' to End Its Run on Broadway

Reuters

NEW YORK — "Oh! Calcutta!" has announced that it will close on Sunday after running for 13½ years on Broadway. The producers of the erotic nude musical said the show's 5,959 performances was a record for a Broadway musical. Producer Maria di Dia said the show was closing for lack of business.

Conceived by the late British critic Kenneth Tynan to celebrate "the pursuit of happiness through sex," the show opened off-Broadway in 1969.

A Zany Film Portrait Of the Young Einstein

By Myra Forsberg
New York Times Service

NEW YORK — Tasmania, 1905. A young apple farmer with carrot-colored hair that forms a mushroom cloud around his head roams the orchards with his pet Tasmanian devil. But instead of worrying about harvest schedules or thunderstorms, he has on his mind nothing less than the state of the universe. His name is Albert Einstein and he is on the verge of formulating his iconoclastic theory of relativity.

But this Einstein will not only calculate that E=mc2; he will use this equation to split the atom and infuse bubbles into beer. And on the way to inventing that seminal musical genre roll 'n' rock, he will woo the winsome Nobel Prize-winner Marie Curie, electrify the viola and save the lives of Freud, Edison and Darwin.

The mortal who has dared to rewrite modern history is Yahoo Serious, 35, a director, co-producer, co-writer, co-editor and star of the new Australian movie "Young Einstein," that has been applauded by Australian audiences and critics. According to the movie's Australian distributor, it is the sixth highest-grossing film of all time in that country. Serious appeared on the cover of the Australian Time magazine and interviewed himself on a television news show.

The movie is a zany Monty Pythonesque concoction that mixes scientific jokes with dopey sight gags. As Einstein, Serious is not above blowing himself up during an atom-splitting experiment or playing an electric viola while taking a bath. He even throws in his own version of "Einstein on the Beach": Albert "invents" the surfboard and tests his new toy by braving Godzilla-high waves.

This madcap quality is reflected in the director's real-life appearance: he favors retrograde '60s attire — black checks and pink paisleys in particular — and a post-punk bride of Frankenstein haircut. But he makes it very clear in conversation that he wants to be taken seriously.

The movie mixes scientific jokes with dopey sight gags.

And he will immediately distance himself from that other offbeat Australian film star, Paul Hogan of "Crocodile Dundee" fame. "Some people ask, 'Are you the new Paul Hogan?,' but we're like from a different planet," Serious says. "Hogan is a marketing guy. . . . When he's speaking about his films, he's always talking about the marketing of them. I come from an art background, so the sensibility is different."

In fact, it was Serious's stint at an Australian art college that led him in a convoluted way to film. "I realized that I was doing this thing that perhaps wasn't art," says the director, who was born in New South Wales. "I embraced that Marcel Duchamp-Andy Warhol ethic that art is what one decides it shall be, and I set about actually destroying art as the object.

"And then I ended up going the full circle and making a hot-dog machine, putting four people inside and calling it an artwork — it was a disaster. Then I was kicked out of art college for painting all these jokes on the front of the school."

It was during this time that Serious changed his name (from Greg Pead) and found his true vocation. "It hit me like a ton of bricks one day. I remember having a cup of coffee and I went, 'Well, look there is a giant canvas in every little town everywhere around the world. And on this giant canvas there are 24 frames of image on that screen every second and it's the most wonderful living art form.'

"I then fell in love with the Chaplin principle of doing things, the Woody Allen-Spike Lee way, where you're in control, where you write, act and direct."

After Serious resolved to study film, he found an impressive learning tool at a television station. "I got their copy of 'Dr. Strangelove' and was surprised to discover that film was in fact a language. It was like learning Cantonese or French: you have to learn how to speak in film. And I found out that many of the major directors were film editors so I spent a lot of time editing film. And it was great later on because in 'Einstein' I was trying to create my own genre: Lawrence of Arabia meets Bugs Bunny."

Serious spent five years on "Young Einstein," his first feature film. After shooting a trailer, he eventually received financing from such sources as the Australian Film Commission and Warner Bros. When the $4 million comedy finally opened in Australia, Serious ventured into a local cinema to assess the reactions. "I had heard about this wide demographics. And this one couple that came out was this 7-year-old kid and her grandmother. Now I didn't think I'd get 70-year-old ladies going to see the movie.

"But then I recalled this was like my first movie experience, which was growing up in the bush cinema where the whole community goes to the one film. We'd all go together — the rich and the poor — and the grandmothers would take the kids. And that was a wonderful moment, because I realized that I had made a film that related to my own experiences."

But while the finished product may reflect his bush upbringing, he found the inspiration for his story on the Amazon River. "I had done a lot of traveling in my 20s, and when I was on the Amazon I was ready to make a statement about the individual," Serious says. "And I saw this T-shirt on this Brazilian native. On it was an image of the 72-year-old Einstein sticking his tongue out, an image that seems to me very childlike. He saw the world through very childlike eyes — as if looking at them for the first time — which I think is a quality of genius.

Yahoo Serious: the director and star of "Young Einstein."

"But I saw that T-shirt and, bang, I thought, 'Oh yeah, young Einstein.' You know everyone thinks of this gray-haired old professor, but he was in fact a 26-year-old office clerk with that haircut who couldn't hold down a job when he came up with the theory of relativity. He was a wild man."

Serious immediately decided to film a portrait of the scientist as a young man and proceeded to research Einstein's life and times. "What Einstein did at 16 is ask questions about the nature of the universe. Certainly an adult would say, 'Oh, don't worry about it,' but he kept asking those same questions as an adult. He was drawn to rebellion in every form.

"Yet he was also a humanitarian, a vulnerable human being, and he had that Australian adventurer about him. It was those qualities I wanted to convey."

In conveying the adventurous side of Einstein, Serious performed his own stunts. "I was striving for an artistic purity. In Buster Keaton's work, there was never a moment where a stunt man or a special effect suddenly broke your belief in that character. I was going for the same sort of truth you find in a painting."

And in his cinematic "painting" he has included such Einstein contemporaries as Marconi and the Wright brothers. "That turn-of-the-century generation called the shots for the whole century. And the most remarkable of them all was Einstein. This film is not a sendup of Einstein: it's a tribute. He was an archetypal individual, and he certainly laid down a haircut back in 1905."

PEOPLE

Galway Plans Reward For Stolen Gold Flutes

The Irish flutist James Galway said Monday he would offer a reward for the return of his five favorite gold flutes, stolen last week. He said the thief would have difficulty selling the instruments but he was not confident he would ever see his "formula one" flutes again. The musician said the flutes, each valued at about 50,000 Swiss francs (about $30,000) disappeared last Wednesday at the railway station in Lucerne while he was loading luggage into his car after a tour of the United States and a holiday in London. Four of the flutes were 14-karat gold, and one was nine-karat gold. Three had diamonds in the end, he said.

□

The Academy Award-winning actress Audrey Hepburn plans to add "Always" to her movie credits. Hepburn has signed on to take part in the Steven Spielberg film — the story of a romance that grows while many of the characters are fighting forest fires. She will join a cast that already includes Richard Dreyfuss, Holly Hunter, John Goodman and Brad Johnson. "Always" is to be released in December.

□

Two weeks after Herbert von Karajan's death, the Salzburg Festival bade farewell to its greatest maestro and mentor in a commemorative hour of music, with no speeches. "His language was music," said a footnote of the program to explain the lack of official tributes. Karajan, who dominated the Salzburg musical scene for almost four decades, died of heart failure July 16. He was 81.

□

More than 50,000 Mozambicans jammed Maputo's National Stadium Sunday to hear the British rock artist Eric Clapton. He has also performed in Botswana, Zimbabwe and Swaziland on his tour of southern Africa.

□

Melina Mercouri was reported in stable condition Sunday at Beth Israel Hospital in New York after undergoing exploratory surgery.

□

Riccardo Muti, the music director of the La Scala opera house in Milan and of the Philadelphia Orchestra, has been named an honorary ambassador by Jean-Pierre Hocke, the United Nations High Commissioner for Refugees.

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